



Financial statements

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Independent Auditors' Report to the Members of St. James's Place plc

Report on the audit of the financial statements

Opinion

In our opinion:

- ◆ St. James's Place plc's consolidated financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the Parent Company's affairs as at 31 December 2025 and of the group's profit and the group's cash flows for the year then ended;
- ◆ the consolidated financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- ◆ the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- ◆ the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Accounts 2025 (the "Annual Report"), which comprise:

- ◆ the Consolidated statement of financial position as at 31 December 2025;
- ◆ the Parent Company statement of financial position as at 31 December 2025;
- ◆ the Consolidated statement of comprehensive income for the year then ended;
- ◆ the Consolidated statement of cash flows for the year then ended;
- ◆ the Consolidated statement of changes in equity for the year then ended;
- ◆ the Parent Company statement of changes in equity for the year then ended; and
- ◆ the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Group Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 5, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- ◆ The consolidated financial statements comprise the consolidation of approximately 75 components, each of which represents an individual legal entity within the Group or consolidation adjustments.
- ◆ We assessed each component and considered the contribution it made to the Group's performance in the year, whether it displayed any significant risk characteristics and/or whether it contributed a significant amount to any individual financial statement line item.
- ◆ The above assessment resulted in us identifying seven components significant by risk or size that required full scope audit procedures for the purpose of the audit of the consolidated financial statements.
- ◆ Six components that are significant by risk or size are based in the UK. The other significant component by risk or size is based in the Republic of Ireland. We also performed audit of specific balances in four components with large individual balances.
- ◆ We performed a full scope audit of all material line items in the Parent Company financial statements.

Key audit matters

- ◆ Provision for redress in respect of ongoing service evidence (group).
- ◆ Valuation of level 3 investments, being investment properties and equities and fixed income securities (group).
- ◆ Recoverability of Parent Company's investment in subsidiaries (parent).

Materiality

- ◆ Overall group materiality: £23,250,000 (2024: £22,500,000) based on 5% of underlying cash result.
- ◆ Specific Group overall materiality: £1,081,000,000 (2024: £931,000,000) based on 0.5% of Assets held to cover linked liabilities applies to assets held to cover linked liabilities, investment contract liabilities and associated income statement line items.
- ◆ Overall Parent Company materiality: £22,087,500 (2024: £20,250,000) based on 1% of total assets (limited to 95% of group materiality).
- ◆ Performance materiality: £17,437,500 (2024: £16,875,000) (group) and £16,565,625 (2024: £15,187,500) (Parent Company).
- ◆ Specific performance materiality: £810,750,000 (2024: £698,250,000) applied to assets held to cover linked liabilities, investment contract liabilities and associated income statement line items.

Independent Auditors' Report to the Members of St. James's Place plc continued

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

Valuation of the Operational Readiness prepayment in respect of the development of an administration platform at an outsourced provider, which was a key audit matter last year, is no longer included because of the Operational Readiness prepayment no longer having additional costs added, being subject to ongoing amortisation and there being no impairment indicators in the current year. Otherwise, the key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Provision for redress in respect of ongoing service evidence (Group)</i></p> <p>As disclosed in the Group Audit Committee Report (Page 71) and Note 18 (page 168) to the Financial Statements the Group holds an Ongoing Service Evidence provision related to the ongoing review of a sub-population of clients that has been charged for ongoing advice services since the start of 2018 but where the evidence of delivery of the ongoing advice service falls below an acceptable standard.</p> <p>As at 31 December 2025 the total provision in respect of the review was £272.3m (2024: £425.1m) which represents the estimated refund of charges, interest and the administration costs associated with completing the exercise. The estimation of the provision involves significant judgement and subjectivity in relation to key assumptions.</p> <p>Management has estimated the provision based on a sample of case record reviews undertaken over a representative cohort of clients with the results from the sample applied to the wider population.</p> <p>Significant assumptions include:</p> <ul style="list-style-type: none"> ◆ extrapolation from a representative cohort – that the assessment, of a representative cohort of client records, can be extrapolated to the wider review population; ◆ opt-in response rate – the response rate by clients to an invitation to join the review, taking into account internal and industry experience; and ◆ administration costs – that in-house historic experience and wider market experience of similar exercises can be used to estimate the cost to fulfil the exercise. 	<p>We have assessed and challenged the Group's methodology and the assumptions applied in arriving at the provision.</p> <ul style="list-style-type: none"> ◆ We performed procedures to verify that the representative cohort of clients used in the estimation of the provision did not include any management bias. ◆ We obtained the available evidence of ongoing advice for a sample of clients within the representative cohort and evaluated this against the redress schemes parameters and assessed whether we came to the same conclusion. ◆ We obtained management's calculation and tested the mathematical accuracy and agreed the calculation back to source data. ◆ We assessed whether any changes were required to be made to management's assumptions and estimates based on currently available evidence and information including latest industry developments, and further data obtained through the ongoing project. ◆ We independently performed sensitivity analysis on the significant assumptions and considered alternative scenarios which could be considered reasonably possible. ◆ We obtained and reviewed relevant regulatory correspondence with the Financial Conduct Authority and Prudential Regulation Authority, discussing the content of any correspondence considered to be pertinent to our audit with management. As part of our audit procedures we met with each regulator. ◆ We reviewed the minutes of the project meetings and performed inquiries throughout the business as to the latest project status. ◆ Given the inherent uncertainty in the estimation of the provision and its judgemental nature, we evaluated the disclosures made in the financial statements. <p>Based on the procedures performed and evidence obtained, we found management's assumptions to be appropriate.</p>

Independent Auditors' Report to the Members of St. James's Place plc continued

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of level 3 investments, being investment properties and equities (Group)</p> <p>As disclosed in Note 20 (page 178) as at 31 December 2025 the Group held £218.8 billion of financial assets and investment properties. The majority of these investments do not require significant judgement in calculating their valuation in the financial statements.</p> <p>Whilst there have been significant disposals of level 3 investments in the current period, included in the total financial assets and investment properties are investment properties of £0.4 billion (2024: £0.9 billion) and level 3 equities of £0.4 billion (2024: £1.0 billion). These require management to use estimates and judgements in order to calculate the valuation at the year-end. The Group engages independent experts for the investment valuation activities for each, with assets in the DAF valued by Kohlberg Kravis Roberts & Co. Inc ("KKR"), whilst the investment property portfolio is managed by Invesco with regular valuations performed by CBRE.</p>	<p>We performed each of the following procedures:</p> <ul style="list-style-type: none"> ◆ Assessed the independence, objectivity and competency of management's expert. ◆ Obtained and reviewed the CBRE valuation report covering all the group's investment properties. ◆ We analysed the listing of individual property valuations for unusual or unexpected movements compared to the prior year and, where such movements were identified we sought explanations and supporting evidence from management. ◆ Obtained independent confirmation, including valuation, of the level 3 equity investments direct from the asset manager. ◆ Tested a selection of disposals during the period for investment property and level 3 equity investments. ◆ Evaluated other available information relating to the valuation of the investments. <p>Based on the procedures performed and evidence obtained throughout the procedures outlined above, we have found management's valuation to be appropriate.</p>
<p>Recoverability of Parent Company's investment in subsidiaries (Parent)</p> <p>The carrying value of directly held investments in subsidiaries is £2,211.0m as at 31 December 2025 (2024: £2,102.4m) accounting for 81.3% of the Parent Company's total assets. The investments in subsidiaries are carried at cost stated after any impairment losses. Management is required to review at least annually for indicators of impairment, or when circumstances or events indicate there may be uncertainty over its value. When an impairment indicator exists, the determination of recoverable amounts for subsidiaries requires assumptions to be made and the key assumptions used are the value of in-force business and the discount rate applied. The carrying value of these investments is not at a higher risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the Parent Company financial statements, this is the area that had the greatest effect on our overall Parent Company audit.</p>	<p>For investments where impairment indicators existed, we obtained management's value in use impairment assessment and ensured the calculations were mathematically accurate.</p> <p>We verified that the methodology used by the directors in arriving at the carrying value of each subsidiary was compliant with applicable accounting standards.</p> <p>We challenged management on key elements of the assessments including the value of in-force business and the discount rate. We further obtained and understood management's value in use and sensitivity calculations over the carrying value assessments, and have independently re-performed the sensitivity ourselves.</p> <p>Based on the procedures performed and evidence obtained, we have found management's model and assessments to be appropriate.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

The Group is structured as an integrated wealth management business and operates predominantly within the United Kingdom. Seven components within the group were considered significant by risk or size and therefore required an audit of their complete financial information. These were St. James's Place UK plc, St. James's Place Unit Trust Group Limited, St. James's Place Investment Administration Limited, St. James's Place Management Services Limited, St. James's Place Wealth Management plc, St. James's Place Wealth Management Group Limited and St. James's Place International plc.

Six of the components that are significant by risk or size are based in the United Kingdom with audit procedures performed directly by the group audit team with St. James's Place International plc incorporated and regulated in the Republic of Ireland and audited by a component audit team. At the planning stage of the audit we provided written instructions to the component audit team to confirm the work we required them to complete. The instructions set out respective responsibilities (including on actuarial work), our involvement in their work, and the materiality level this work should be performed to. We held regular meetings with the component engagement leader, director, and other senior members of the component team through the planning, execution and completion phases of the audit to inform them of developments at a Group level and to understand from them any local developments that were relevant for our audit of the Group. During the execution phase, senior members of the group audit team performed a review of the component teams audit working papers, reviewing selected elements of their work focused on the significant and elevated risks identified.

In addition to the full scope audit of the seven components noted above, we also performed audit procedures on certain financial statement line items within four other components. These financial statement line items were selected for testing to ensure that we had sufficient coverage of each financial statement line item within the consolidated financial statements.

Independent Auditors' Report to the Members of St. James's Place plc continued

The impact of climate risk on our audit

The Group has set out its approach and goals in respect of its Funds under Management in the Investing responsibly section of the Strategic Report. This includes the goal of becoming "Net Zero" in investments by 2050 (with an interim target of a 25% reduction in the carbon emissions of its investment proposition by 2025).

In planning our audit, we considered the extent to which climate change is impacting the Group and how it impacted our risk assessment for the audit of the financial statements. In making these considerations we:

- ◆ Enquired of management in respect of their own climate change risk assessment, including associated governance processes and understood how these have been implemented.
- ◆ Obtained the latest Climate Report from the Group and checked it for consistency with our knowledge of the Group based on our audit work and the disclosures made in the Strategic Report.
- ◆ Considered management's risk assessment and the Climate Report in light of our knowledge of the wider asset and wealth management industries.

Our conclusions were that the impact of climate change does not give rise to a Key Audit Matter for the Group and it did not impact our risk assessment for any material Financial Statement line item or disclosure.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£23,250,000 (2024: £22,500,000).	£22,087,500 (2024: £20,250,000).
How we determined it	5% of underlying cash result.	1% of total assets (limited to 95% of group materiality).
Rationale for benchmark applied	The engagement team concluded that £23.25 million is the most appropriate figure when setting an overall materiality on the engagement. The quantum of £23.25 million was determined by considering the various benchmarks available to us as auditors, our experience of auditing the Group and our experience of the group. £23.25 million represents 5% of the underlying cash result.	The purpose of the Parent Company is to hold investments in other Group companies. As such PwC considers it appropriate to use total assets as the benchmark for overall materiality, limited to 95% of the overall group materiality.

For certain balances, our specific group overall materiality level was £1,081,000,000 (2024: £931,000,000) for assets held to cover linked liabilities applies to assets held to cover linked liabilities, investment contract liabilities and associated income statement line items.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £3,700,000 and £22,100,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2024: 75%) of overall materiality, amounting to £17,437,500 (2024: £16,875,000) for the group financial statements and £16,565,625 (2024: £15,187,500) for the Parent Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount in the middle of our normal range was appropriate.

For certain balances, our specific performance materiality was 75% of the specific overall materiality for assets held to cover linked liabilities, investment contract liabilities and associated income statement line items, amounting to £810,750,000 (2024: £698,250,000) for the consolidated financial statements.

Independent Auditors' Report to the Members of St. James's Place plc continued

We agreed with the Group Audit Committee that we would report to them misstatements identified during our audit above £1,162,500 (group audit) (2024: £1,125,000) and £1,104,375 (Parent Company audit) (2024: £1,012,500) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons. For balances where we apply our specific performance materiality we agreed to report misstatements greater than £23,250,000 (2024: £22,500,000).

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- ◆ Obtaining the Directors' going concern assessment for the consolidated and the Parent Company financial statements and gaining an understanding of the Directors' going concern assessment process, including the preparation of the budget;
- ◆ Obtaining the budget covering the period of the going concern assessment and evaluating the forecasting method adopted by the Directors in assessing going concern;
- ◆ Testing the mathematical accuracy of the model and evaluating the key assumptions using our understanding of the Group and external evidence where appropriate. We also performed a comparison of the 2025 budget and the actual results to assess the historical accuracy of the budgeting process;
- ◆ Evaluating the results of management's analysis of the relevant solvency requirements and liquidity position of the Group, including forward looking plausible downside scenarios within the Group's Own Risk and Solvency Assessment;
- ◆ Evaluating the reasonableness of management's downside assumptions using our understanding of the Group and the external environment. We evaluated management's assumptions by performing independent stress testing to determine whether a reasonable alternative stressed scenario would result in a breach of minimum regulatory requirements or the Group's liquidity requirements;
- ◆ Evaluating the mitigating actions that management identified and assessing whether these were in the control of management and possible in the going concern period of assessment;
- ◆ Evaluating information obtained through review of regulatory correspondence, minutes of meetings of the Board, Group Audit and Group Risk Committees, as well as publicly available information to identify any information that would contradict management's assessment; and
- ◆ Assessing the adequacy of disclosures in the Going Concern Statement in note 1 of the consolidated and Parent Company financial statements and within the Assessment of going concern section of the Directors' report on page 124.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and the Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the Parent Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2025 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Directors' Remuneration

In our opinion, the part of the Report of the Group Remuneration Committee to be audited has been properly prepared in accordance with the Companies Act 2006.

Independent Auditors' Report to the Members of St. James's Place plc continued

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- ◆ The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- ◆ The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- ◆ The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- ◆ The directors' explanation as to their assessment of the group's and Parent Company's prospects, the period this assessment covers and why the period is appropriate; and
- ◆ The directors' statement as to whether they have a reasonable expectation that the Parent Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and Parent Company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and Parent Company and their environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- ◆ The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and Parent Company's position, performance, business model and strategy;
- ◆ The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- ◆ The section of the Annual Report describing the work of the Group Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Parent Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK and Irish regulatory principles, such as those governed by the Prudential Regulation Authority, the Financial Conduct Authority and the Central Bank of Ireland, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journals and management bias in accounting estimates and judgemental areas as shown in our key audit matter. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- ◆ Discussions with the Risk and Compliance function, Internal Audit and the company's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;

Independent Auditors' Report to the Members of St. James's Place plc continued

- ◆ Reviewing the Group Audit Committee papers in which whistle blowing matters are reported and considered the impact of these matters on the group's compliance with laws and regulations;
- ◆ Reviewing key correspondence with the Prudential Regulation Authority, the Financial Conduct Authority and the Central Bank of Ireland in relation to compliance with laws and regulations;
- ◆ Reviewing relevant meeting minutes including those of the Board, Risk and Group Audit Committees;
- ◆ Reviewing the company's register of litigation and claims, in so far as they related to non-compliance with laws and regulations and fraud;
- ◆ Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations increasing reported revenues;
- ◆ Designing audit procedures to incorporate unpredictability around nature, timing or extent of our testing; and
- ◆ Procedures relating to the estimates and judgements applied provision for redress in respect of ongoing service evidence and recoverability of Parent Company's investment in the subsidiaries described in the related key audit matter.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Parent Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- ◆ we have not obtained all the information and explanations we require for our audit; or
- ◆ adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ certain disclosures of directors' remuneration specified by law are not made; or
- ◆ the Parent Company financial statements and the part of the Report of the Group Remuneration Committee to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

We were first appointed by the company for the financial year ended 31 December 2009. Our uninterrupted engagement covers 17 financial years.

Other matter

The Parent Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Gary Shaw

Senior Statutory Auditor

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Bristol

24 February 2026

Consolidated statement of comprehensive income

	Note	Year ended 31 December 2025	Year ended 31 December 2024
		£'Million	£'Million
Fee and commission income	4	3,766.4	3,163.9
Expenses	5, 18	(2,551.9)	(2,236.7)
Investment return	6	26,371.8	22,785.3
Movement in investment contract benefits	6	(26,285.5)	(22,688.5)
Insurance revenue	7	24.2	25.2
Insurance service expenses	8	(22.6)	(21.8)
Net reinsurance expense		(0.4)	(3.1)
Insurance service result		1.2	0.3
Net insurance finance (expense)/income		(1.9)	2.7
Finance income	9	64.0	58.5
Finance costs	9	(28.9)	(36.4)
Profit before tax	3	1,335.2	1,049.1
Tax attributable to policyholders' returns	10	(638.5)	(513.2)
Profit before tax attributable to shareholders' returns		696.7	535.9
Total tax charge	10	(803.8)	(650.7)
Less: tax attributable to policyholders' returns	10	638.5	513.2
Tax attributable to shareholders' returns	10	(165.3)	(137.5)
Profit and total comprehensive income for the year		531.4	398.4
Profit attributable to non-controlling interests		0.3	–
Profit attributable to equity shareholders		531.1	398.4
Profit and total comprehensive income for the year		531.4	398.4
	Note	Pence	Pence
Basic earnings per share	23	99.9	73.0
Diluted earnings per share	23	98.8	72.6

The results relate to continuing operations.

The Notes and information on pages 139 to 193 form part of these consolidated financial statements.

As permitted by section 408 of the Companies Act 2006, no statement of comprehensive income is presented for the Company.

Consolidated statement of changes in equity

	Equity attributable to owners of the Parent Company							Non-controlling interests	Total equity	
	Share capital	Share premium	Capital redemption reserve	Shares in trust reserve	Misc. reserves	Retained earnings	Total			
	Note	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million			£'Million
At 1 January 2024		82.3	233.9	–	(0.7)	2.5	665.4	983.4	0.1	983.5
Profit and total comprehensive income for the year		–	–	–	–	–	398.4	398.4	–	398.4
Dividends	23	–	–	–	–	–	(76.6)	(76.6)	(0.2)	(76.8)
Shares repurchased in buy-back programmes	23	(0.7)	–	0.7	–	–	(33.1)	(33.1)	–	(33.1)
Consideration paid for own shares		–	–	–	(9.5)	–	–	(9.5)	–	(9.5)
Retained earnings credit in respect of share option charges		–	–	–	–	–	11.2	11.2	–	11.2
At 31 December 2024		81.6	233.9	0.7	(10.2)	2.5	965.3	1,273.8	(0.1)	1,273.7
Profit and total comprehensive income for the year		–	–	–	–	–	531.1	531.1	0.3	531.4
Dividends	23	–	–	–	–	–	(96.3)	(96.3)	(0.2)	(96.5)
Exercise of share options		–	1.5	–	–	–	–	1.5	–	1.5
Shares repurchased in buy-back programmes	23	(2.5)	–	2.5	–	–	(189.2)	(189.2)	–	(189.2)
Consideration paid for own shares		–	–	–	(61.3)	–	–	(61.3)	–	(61.3)
Shares sold during the year		–	–	–	3.0	–	(3.0)	–	–	–
Retained earnings credit in respect of share option charges		–	–	–	–	–	19.2	19.2	–	19.2
At 31 December 2025		79.1	235.4	3.2	(68.5)	2.5	1,227.1	1,478.8	–	1,478.8

The number of shares held in the shares in trust reserve is given in Note 23 Share capital, earnings per share and shareholder returns.

Miscellaneous reserves represent other non-distributable reserves.

The Notes and information on pages 139 to 193 form part of these consolidated financial statements.

Consolidated statement of financial position

	Note	As at	As at
		31 December 2025	31 December 2024
		£'Million	£'Million
Assets			
Goodwill	11	18.5	23.3
Deferred acquisition costs	11	284.1	286.2
Intangible assets	11	8.1	15.5
Property and equipment, including leased assets	12	122.3	134.0
Investment property	14, 20	370.3	892.3
Deferred tax assets	10	10.2	2.7
Investment in associates	26	24.0	21.9
Reinsurance assets	17	11.7	14.9
Other receivables	15	2,861.6	2,687.4
Financial investments	14, 20	212,073.5	182,320.2
Derivative financial assets	14, 20	2,908.7	2,812.8
Cash and cash equivalents	14	6,184.5	5,663.9
Total assets		224,877.5	194,875.1
Liabilities			
Borrowings	19	341.5	516.8
Deferred tax liabilities	10	966.2	679.4
Insurance contract liabilities	17	566.2	518.6
Deferred income	11	421.6	469.5
Other provisions	18	298.4	460.3
Other payables	16	2,655.3	2,144.3
Investment contract benefits	14, 20	163,728.7	141,038.8
Derivative financial liabilities	14, 20	2,412.1	3,052.1
Net asset value attributable to unit holders	14, 20	51,982.8	44,699.5
Income tax liabilities		25.9	22.1
Total liabilities		223,398.7	193,601.4
Net assets		1,478.8	1,273.7

	Note	As at	As at
		31 December 2025	31 December 2024
		£'Million	£'Million
Shareholders' equity			
Share capital	23	79.1	81.6
Share premium		235.4	233.9
Capital redemption reserve		3.2	0.7
Shares in trust reserve		(68.5)	(10.2)
Miscellaneous reserves		2.5	2.5
Retained earnings		1,227.1	965.3
Equity attributable to owners of the Parent Company		1,478.8	1,273.8
Non-controlling interests		-	(0.1)
Total equity		1,478.8	1,273.7
		Pence	Pence
Net assets per share		280.5	234.1

The consolidated financial statements on pages 135 to 193 were approved by the Board on 24 February 2026 and signed on its behalf by:

Mark FitzPatrick
Chief Executive Officer

The Notes and information on pages 139 to 193 form part of these consolidated financial statements.

Consolidated statement of cash flows

	Note	Year ended 31 December 2025	Year ended 31 December 2024 ¹
		£'Million	£'Million
Cash flows from operating activities			
Cash generated from/(used in) operations	21	1,396.1	(528.5)
Interest received		224.5	236.6
Interest paid		(28.9)	(36.4)
Income taxes paid	10	(524.5)	(326.1)
Net cash inflow/(outflow) from operating activities¹		1,067.2	(654.4)
Cash flows from investing activities			
Payments for property and equipment	12	(1.1)	(3.6)
Payment of software development costs	11	–	(5.1)
Payments for acquisition of subsidiaries and other business combinations, net of cash acquired		(0.8)	–
Payments for associates		(1.7)	(8.3)
Contingent consideration paid ¹	20	(4.8)	(1.3)
Net cash outflow from investing activities		(8.4)	(18.3)
Cash flows from financing activities			
Proceeds from the issue of share capital and exercise of options		1.5	–
Shares repurchased in share buy-back programmes		(189.2)	(33.1)
Consideration paid for own shares		(61.3)	(9.5)
Proceeds from borrowings	19	135.7	473.8
Repayment of borrowings	19	(311.7)	(208.1)
Principal elements of lease payments	13	(14.0)	(14.0)
Dividends paid to Company's shareholders	23	(96.3)	(76.6)
Dividends paid to non-controlling interests in subsidiaries		(0.2)	(0.2)
Net cash (outflow)/inflow from financing activities		(535.5)	132.3
Net increase/(decrease) in cash and cash equivalents		523.3	(540.4)
Cash and cash equivalents at 1 January		5,663.9	6,204.3
Effects of exchange rate changes on cash and cash equivalents		(2.7)	–
Cash and cash equivalents at 31 December	14	6,184.5	5,663.9

¹ Restated to reclassify £1.3 million of Contingent consideration paid from operating activities to investing activities which better reflects the nature of the item.

The Notes and information on pages 139 to 193 form part of these consolidated financial statements.

Notes to the consolidated financial statements under International Financial Reporting Standards

1. Accounting policies

St. James's Place plc (the Company) is a public company limited by shares which is incorporated and registered in England and Wales, domiciled in the United Kingdom and whose shares are publicly traded.

i. Statement of compliance

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group).

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

As at 31 December 2025 there were no new and amended standards, that became effective on or after 1 January 2025, that were relevant to the Group.

ii. New and amended accounting standards not yet effective

As at 31 December 2025, the following new and amended standards, which are relevant to the Group but have not been applied in the financial statements, were in issue but are not yet effective. All of the below have been endorsed by the UK Endorsement Board:

- ◆ Amendments to the classification and measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
- ◆ IFRS 18 Presentation and Disclosure in Financial Statements.

The Group is currently assessing the impact that the adoption of the above standards and amendments will have on the Group's results reported within the financial statements. The only one expected to have a significant impact on the Group's financial statements is IFRS 18 Presentation and Disclosure in Financial Statements. Further information on this standard is given below.

IFRS 18 Presentation and Disclosure in Financial Statements

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements on 9 April 2024 which will replace IAS 1. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and gives investors better basis for analysing and comparing companies:

- ◆ improved comparability in the statement of comprehensive income
- ◆ enhanced transparency of management defined performance measures
- ◆ more useful grouping of information in the financial statements.

Management are currently assessing the impacts of adopting the new standard, however it is only expected to have an impact on the presentation and disclosure of the financial statements and is not expected to have an impact on recognition and measurement. The effective date of the standard is 1 January 2027.

iii. Basis of preparation

The going concern basis has been adopted in preparing these financial statements.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chief Executive Officer's report and the Chief Financial Officer's report. The financial performance and financial position of the Group are described in the financial review.

As shown in Note 22 Capital management and allocation, the Group's capital position remains strong and well in excess of regulatory requirements. In addition, it has continued to operate within its external banking covenants. In addition, the Fitch rating remains at A+ for SJPUK (A at SJP PLC level). Further, the long-term nature of the business results in considerable positive cash flows arising from existing business.

The Board has considered the challenging macroeconomic and geopolitical conditions which continued during 2025, noting that the business continued to be successful in this environment. Notwithstanding these challenges, gross inflows for 2025 were £21.9 billion, up 19% on 2024. Retention of client funds under management remained strong at 94.9% resulting in net inflows of £6.2 billion. These factors along with the performance of our key outsource providers, monitored through our ongoing oversight, supports its view that the business will continue to remain operationally resilient.

The Board has also considered a profitability forecast including base case scenario and severe but plausible downside scenarios. In modelling these scenarios, the Group has considered its liquidity, cash and IFRS results. The downside scenarios are severe but plausible and would still leave the Group with a positive cash result and IFRS profit.

As a result of its review, the Board believes that the Group will continue to operate, with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations, for a period of at least 12 months from the date of approval of the Group financial statements.

The financial statements are presented in pounds Sterling rounded to the nearest one hundred thousand pounds. They are prepared on a historical cost basis, except for assets classified as investment property and financial assets and liabilities at fair value through profit and loss.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Judgements made by management in the application of IFRSs that have material effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 2.

The financial statements are prepared in accordance with the Companies Act 2006 as applicable to companies reporting under IFRS, and the accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

iv. Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial information incorporates the assets, liabilities and results of the Company and of its subsidiaries. Subsidiaries are those entities which the Group controls. Control exists if the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity (including unit trusts in which the Group holds more than 30% of the units). Further information on how control is assessed, including the judgement taken in consolidating SJP Partner Loans No.1 Limited, the Group's securitisation entity, is set out in Note 2.

Associates are all entities over which the Group has significant influence but not control, and are accounted for at fair value through profit or loss. The Group uses the acquisition method of accounting to account for business combinations and expenses all acquisition costs as they are incurred. The financial information of subsidiaries is included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the Group.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in the consolidated statement of comprehensive income.

The treatment of transactions with non-controlling interests depends on whether, as a result of the transaction, the Group alters control of the subsidiary. Changes in the Parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions; any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Parent entity. Where the Group loses control of a subsidiary, at the date when control is lost the amount of any non-controlling interest in that former subsidiary is derecognised and any investment retained in the former subsidiary is remeasured to its fair value; the gain or loss that is recognised in profit or loss on the partial disposal of the subsidiary includes the gain or loss on the remeasurement of the retained interest.

Intra-Group balances, and any income and expenses or unrealised gains and losses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

The St. James's Place Charitable Foundation is not consolidated within the financial information. This is because the Company does not meet the control definitions required by IFRS 10.

(b) Fee and commission income

Fee and commission income comprises:

- (i) advice charges (post-RDR) paid by clients who receive advice alongside their investment in a St. James's Place product. Advice may be provided at initial investment, and on an ongoing basis;
- (ii) third-party fee and commission income, due from third-party product providers in respect of products sold on their behalf;
- (iii) wealth management fees paid by clients for the ongoing administration of their investment products;
- (iv) investment management fees paid by clients for investment management, including charges taken by the Group to pay third-party investment advisers;
- (v) fund tax deductions, which are fees charged to clients to match the policyholder tax expense;
- (vi) policyholder tax asymmetry, which is the difference between the deferred tax position and the offsetting client balances;
- (vii) discretionary fund management (DFM) fees generated through the services provided by our DFM business; and
- (viii) amortisation of deferred income (DIR), the unwinding of income that has been deferred. This relates to initial product charges and dealing margins from unit trusts.

The provision of initial advice is a distinct performance obligation. As a result, initial advice charges are recognised in full on acceptance and inception of the associated policy by the relevant product provider, which may be a Group company or a third-party. Ongoing advice charges are recognised as revenue on an ongoing basis, consistent with the nature of the performance obligation being discharged, rather than at a single point in time.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

Third-party fee and commission income is recognised in full on acceptance and inception of the associated policy by the relevant third-party product provider. The performance obligation is the initial advice provided to a client which leads to investment in a third-party product, hence it is appropriate that this revenue stream is recognised on the same basis as initial advice charges. Where the third-party product provider retains the right to clawback of commission on an indemnity basis, revenue on sale of these products is recognised to the extent that it is highly probable the revenue will not be clawed back. A provision is recognised for any amounts received which do not meet the 'highly probable' threshold.

Wealth management fees, investment management fees, fund tax deductions, policyholder tax asymmetry and DFM fees relate to services provided on an ongoing basis, and revenue is recognised on an ongoing basis to reflect the nature of the performance obligations being discharged.

When initial product charges and dealing margins do not relate to a distinct performance obligation satisfied at inception of a contract, the income is deferred and amortised over the anticipated period in which the services will be provided.

(c) Expenses

(i) Payments to Partners

Payments to Partners comprise initial commission and initial advice fees (IAF) (paid for initial advice, at policy outset and within an initial period for regular contribution), renewal commission and renewal advice fees (payable on regular contributions) and fund fee commission or ongoing advice fees (OAF) (based on funds under management). Initial and renewal commission and advice fees are recognised in line with the associated premium income, but initial commission on insurance and investment contracts may be deferred, as set out in accounting policy (m). Fund fee commission and ongoing advice fees are recognised on an accruals basis.

(ii) Lease expenses

Lease expenses under IFRS 16 comprise depreciation of the right-of-use asset. Further information on depreciation of the right-of-use asset is set out in accounting policy (o).

The Group recognises lease payments associated with short-term leases and leases of low-value assets on a straight-line basis over the lease term.

(d) Investment return

Investment return comprises investment income and investment gains and losses. Investment income includes dividends, interest and rental income from investment properties under operating leases. Dividends are accrued on an ex-dividend basis, and rental income is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Interest on assets classified at fair value through profit or loss are accounted for based on the actual coupon payments, whilst interest on financial assets measured at amortised cost are accounted for using the effective interest method.

(e) Insurance revenue

Insurance revenue represents the expected income from the provision of insurance services. The income is recognised during the coverage period in which the services will be provided.

(f) Insurance service expenses

Insurance service expenses comprise insurance claims and other insurance service expenses. The expense is recognised during the relevant coverage period in which the services will be provided, excluding any investment components.

(g) Finance income

Finance income comprises interest received on cash and cash equivalents and business loans to Partners. Interest on assets classified at fair value through profit or loss is accounted for based on the actual coupon payments, whilst interest on financial assets measured at amortised cost is accounted for using the effective interest method.

(h) Finance costs

Finance costs comprise an interest expense on the lease liability and external borrowings. Interest expense on the lease liability and external borrowings is calculated using the effective interest method.

(i) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax charge of the Group in respect of policyholders and shareholders. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority, and are measured using a best-estimate approach.

(i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date and taking into account expected timing of utilisation.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

(iii) Policyholder and shareholder tax

The total income tax charge is a separate adjustment within the statement of comprehensive income based on the movement in current and deferred income taxes in respect of income, gains and expenses. The total charge reflects tax incurred on behalf of policyholders as well as shareholders, and so it is useful to be able to identify these separately.

Shareholder tax is estimated by making an assessment of the effective rate of tax that is applicable to the shareholders on the profits attributable to shareholders. This is calculated by applying the appropriate effective corporate tax rates to the shareholder profits. The remainder of the tax charge represents tax on policyholders' investment returns.

(j) Dividends

Interim dividend distributions to the Company's shareholders are recognised in equity in the period in which they are paid. Final dividend distributions to the Company's shareholders are recognised in the period in which the dividends are declared: that is, when they are appropriately authorised and no longer at the discretion of the Company. The final dividend for the financial year is disclosed but shown as unpaid and awaiting approval by the Company's shareholders at the Annual General Meeting.

(k) Investment contract deposits and withdrawals

Investment contract payments in and out are not included in the statement of comprehensive income but are reported as deposits to or deductions from investment contract benefits in the statement of financial position. The movement in investment contract benefits within the statement of comprehensive income principally represents the investment return credited to policyholders.

Explicit advice charges are payable by most clients who wish to receive advice with their investment in a St. James's Place retail investment product. St. James's Place facilitates the payment of these charges for the client, by arranging withdrawals from the client's policy, which are then recognised as income to the Group. A proportion of the charge is then paid to the St. James's Place adviser who provides the advice (see (b) Fee and commission income (i) and (c) Expenses (i)).

(l) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired entity at the date of acquisition. Where the fair value of the Group's share of the identifiable net assets of the acquired entity is greater than the cost of acquisition, the excess is recognised immediately in the statement of comprehensive income.

Goodwill is recognised as an asset at cost and is reviewed at least annually for impairment or when circumstances or events indicate there may be uncertainty over this value. If an impairment is identified, the carrying value of the goodwill is written down immediately through the statement of comprehensive income and is not subsequently reversed. At the date of disposal of a subsidiary, the carrying value of attributable goodwill is included in the calculation of the profit or loss on disposal except where it has been written off directly to reserves in the past.

(m) Deferred acquisition costs

For investment contracts, only directly attributable acquisition costs, which vary with and are related to securing new contracts and renewing existing contracts, are deferred, and only to the extent that they are recoverable out of future revenue. These deferred acquisition costs, which represent the contractual right to benefit from providing investment management services, net of any impairment losses, are amortised to expenses in the statement of comprehensive income on a straight-line basis over the expected lifetime of the Group's investment contracts. All other costs are recognised as expenses when incurred. The period over which costs are expected to be recoverable for investment contracts is 14 years.

(n) Intangible assets

(i) Purchased value of in-force business

The purchased value of in-force business represents the present value of profits that are expected to emerge from business acquired on business combinations. It is calculated at the time of acquisition using best-estimate actuarial assumptions for interest, mortality, persistency and expenses, net of any impairment losses, and it is amortised on a straight-line basis as profits emerge over the anticipated lives of the related contracts in the portfolio.

An intangible asset is also recognised in respect of acquired investment management contracts, representing the fair value of contractual rights acquired under those contracts. The purchased value of in-force business is expressed as a gross figure in the statement of financial position, with the associated tax included within deferred tax liabilities. It is assessed for impairment at each reporting date and any movement is charged to the statement of comprehensive income.

The estimated useful economic life of acquired in-force business is 20 years.

(ii) Computer software and other specific software developments

Computer software is stated at cost less accumulated amortisation and any recognised impairment loss. The carrying value is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Computer software, including cloud customisation costs, is recognised as an intangible asset during development, with amortisation commencing when the software is operational. Amortisation is charged to the statement of comprehensive income to expenses on a straight-line basis over 5 years, being the estimated useful life of the intangible asset.

(o) Property and equipment

Property and equipment comprises both assets which are owned and those which are leased.

(i) Initial and subsequent measurement of owned assets

Owned items of property and equipment are stated at cost less accumulated depreciation and impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged to expenses within the statement of comprehensive income on a straight-line basis over the estimated useful lives of the property and equipment, which are as follows:

Fixtures, fittings and office equipment:	5 to 15 years
Computer equipment:	3 years

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

(ii) Initial and subsequent measurement of leased assets

A right-of-use asset is recognised within property and equipment for leased items which are not subject to the short-term or low-value lease exemptions set out in IFRS 16. This comprises the Group's leased property portfolio. The right-of-use asset recognised on the commencement date of the lease is the value of the lease liability (refer to accounting policy (ab)), plus expected dilapidation costs, initial direct costs (that is, incremental costs that would not have been incurred if the lease had not been obtained, such as legal fees) and lease payments made before or at the commencement date of the lease. Following initial recognition, depreciation is charged to expenses within the statement of comprehensive income on a straight-line basis over the lease term.

(iii) Impairment of owned and leased assets

The carrying value of owned and leased assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Any assets that may have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(p) Investment property

Investment properties, which are all held within the unit-linked funds, are properties which are held to earn rental income and/or for capital appreciation. They are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio every month.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the statement of comprehensive income within investment income. Rental return from investment property is accounted for as described in accounting policy (d).

(q) Reinsurance assets

Reinsurance assets represent amounts recoverable from reinsurers in respect of non-unit-linked insurance contract liabilities, net of any future reinsurance premiums. See (v) Insurance contract liabilities for further information.

The contract boundary for a reinsurance contract is dependent on the terms and conditions of the reinsurance contract. Such terms have been assessed and considered to be the same as for the underlying contracts.

(r) Other receivables

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Most shareholder other receivables are initially recognised at fair value and subsequently held at amortised cost less impairment losses, as the business model for these assets is to hold to collect contractual cash flows, which consist solely of payments of principal and interest. The exception to this is renewal income assets, which are classified as fair value through profit and loss and are initially, and subsequently, recognised at fair value. The value of any impairment recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. See accounting policy (af) for information relating to the treatment of impaired amounts.

Other receivables include prepayments, which are recognised where services are paid for in advance of the benefit being received. The prepayment reduces, and an expense is recognised in the statement of comprehensive income, as the service is received.

Commission and advice fees in respect of some insurance and investment business may be paid to Partners in advance of renewal premiums and accelerated by up to 5 years. The unearned element of this accelerated remuneration is recognised as advanced payments to Partners within other receivables. Should the contributions reduce or stop within the initial period, any unearned amount is recovered.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(s) Financial investments

These financial assets are initially and subsequently recognised at fair value through profit and loss, with all gains and losses recognised within investment income in the statement of comprehensive income. The vast majority of these financial assets are quoted, and so the fair value is based on the value within the bid-ask spread that is most representative of fair value. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques such as recent arm's-length transactions, reference to similar listed investments, discounted cash flow models or option pricing models.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

Subsequent measurement of these financial assets at fair value through profit and loss is required by IFRS 9 for debt instruments for which the objectives of the Group's business model are not met by either holding the instrument to collect contractual cash flows or selling the instruments, or where the contractual terms of the instrument do not give rise to cash flows which are solely payments of principal and interest. Where both the 'business model' and 'solely payments of principal and interest' tests are met, management has made an irrevocable decision to designate the debt instruments at fair value through profit and loss as doing so aligns the measurement of the financial assets with the measurement of their associated unit-linked liabilities.

Management has not made the irrevocable election to present changes in the fair value of equity instruments in other comprehensive income, and so all equity instruments are also designated at fair value through profit and loss.

The Group recognises purchases and sales of investments on trade date. The costs associated with investment transactions are included within expenses in the statement of comprehensive income.

(t) Derivative financial instruments

The Group uses derivative financial instruments within some unit-linked funds, with each contract initially and subsequently recognised at fair value, based on observable market prices. All changes in value are recognised within investment income in the statement of comprehensive income.

(u) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments.

Cash and cash equivalents held within unit-linked and unit trust funds are classified at fair value through profit and loss, as management has made an irrevocable decision to designate them as such in order to align the measurement of these financial assets with the measurement of their associated unit-linked liabilities. Therefore, these cash and cash equivalents are initially and subsequently recognised at fair value through profit and loss, with gains and losses recognised within investment return in the statement of comprehensive income.

All other cash and cash equivalents are classified at amortised cost, as the business model for these assets is to hold to collect contractual cash flows, which consist solely of payments of principal and interest. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses.

(v) Insurance contract liabilities

Insurance contract liabilities are determined by applying the default General Measurement Model (GMM) to non-unit-linked insurance business and reinsurance ceded, and the Variable Fee Approach (VFA) to unit-linked insurance business measured under IFRS 17.

The contract boundary is assessed at transition and then reassessed only when there are changes in features or circumstances that alter the commercial substance of the contract or change the products within a portfolio.

Under the GMM (applicable to non-unit-linked insurance business and reinsurance ceded), groups of contracts are recognised and measured as:

- ◆ the Fulfilment Cash Flows, comprising an estimate of future cash flows, adjusted to reflect the time value of money, the financial risks associated with the future cash flows, and a risk adjustment for non-financial risk (RA)
- ◆ the Contractual Service Margin (CSM), comprising the unearned profit within a group of contracts that will be recognised as the Group provides insurance services in the future.

The estimate of future cash flows represents the best estimate of the cost to fulfil cash flows within the contract boundary, incorporating current non-financial assumptions.

The RA represents the compensation that an entity requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk as the entity fulfils insurance contracts. It is calculated using a cost of capital approach, leveraging the Solvency II view of non-financial risk.

The CSM is determined at contract outset or IFRS 17 transition and subsequently remeasured for non-financial changes in the Fulfilment Cash Flows and the accretion of interest using a discount rate locked in at transition. It is amortised over the period of the contract in line with coverage units based upon the sum assured, which reflect the quantity of insurance services provided. If a group of contracts is expected to be onerous (i.e. loss-making) over the remaining coverage period, a loss is recognised immediately.

Under the VFA (applicable to unit-linked insurance business), the GMM is supplemented by an adaptation for contracts with direct participation features. The Fulfilment Cash Flows for unit-linked insurance business reflect an obligation to pay policyholders an amount equal to the fair value of underlying assets, less the variable fee for future service. The RA reflects the compensation for non-financial risk in relation to this variable fee only. The CSM is subsequently remeasured for changes in the variable fee only, arising from both financial and non-financial risks.

(w) Investment contract benefits

All of the Group's investment contracts are unit-linked. Unit-linked liabilities are measured at fair value by reference to the value of the underlying net asset value of the Group's unitised investment funds, on a bid valuation basis, at the reporting date. An allowance for deductions due to (or from) the Group in respect of policyholder tax on capital gains (and losses) in the life assurance funds is also reflected in the measurement of unit-linked liabilities. Investment contract benefits are recognised when units are first allocated to the policyholder; they are derecognised when units allocated to the policyholder have been cancelled.

The decision by the Group to designate its unit-linked liabilities at fair value through profit and loss reflects the fact that the matching investment portfolio, which underpins the unit-linked liabilities, is recognised at fair value through profit and loss.

(x) Deferred income

The initial margin on financial instruments is deferred and recognised on a straight-line basis over the expected lifetime of the financial instrument, which is between 6 and 14 years.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

(y) Net asset value attributable to unit holders

The Group consolidates unit trusts in which it holds more than 30% of the units and exercises control. The third-party interests in these unit trusts are termed the net asset value attributable to unit holders and are presented in the statement of financial position. They are classified at fair value through profit and loss, hence are initially and subsequently measured at fair value. The decision by the Group to designate the net asset value attributable to unit holders at fair value through profit and loss reflects the fact that the underlying investment portfolios are recognised at fair value through profit and loss.

Income attributable to the third-party interests is accounted for within investment return, offset by a corresponding change in investment contract benefits.

(z) Other provisions

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried in the statement of financial position.

(aa) Borrowings

Borrowings are measured initially at fair value, net of directly attributable transaction costs, and subsequently stated at amortised cost. The difference between the proceeds and the redemption value is recognised in the statement of comprehensive income over the borrowing period on an effective interest rate basis. Borrowings are recognised on drawdown and derecognised on repayment.

(ab) Other payables

Other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Other payables include lease liabilities calculated in accordance with IFRS 16. On the commencement date of the lease the lease liability is measured as the present value of the future lease payments to be made over the lease term. For the Group, future lease payments include those which are fixed and those which vary depending on an index or rate. The future lease payments are discounted at the Group's incremental borrowing rate at the commencement date of the lease, which varies depending on the lease term. The lease term includes the non-cancellable period for which the Group has the right to use the leased asset, plus periods covered by extension options where the option is reasonably certain to be taken. Conversely, the non-cancellable period is reduced if it is reasonably certain that a termination option will be taken.

The incremental borrowing rate is management's judgement as to the rate of interest that the Group would have to pay to borrow, over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset. This has been determined with reference to the rate of interest of existing borrowings held by the Group and market rates adjusted to take into account the security and term associated with the lease.

The Group applied the practical expedient on transition to IFRS 16 on 1 January 2019 of applying a single discount rate to a portfolio of leases with reasonably similar characteristics by grouping leases by asset type and remaining lease term on the date of transition. Similarly, the Group periodically determines standard discount rates to apply for leases entered into since 1 January 2019 by asset type and lease term.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

(ac) Employee benefits

(i) Pension obligations

The Group operates a defined contribution personal pension plan for its employees. Contributions to this plan are recognised as an expense in the statement of comprehensive income as incurred. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(ii) Share-based payments

The Group operates a number of share-based payment plans for employees, Partners and advisers. The fair value of share-based payment awards granted is recognised as an expense spread over the vesting period of the instrument, which accords with the period for which related services are provided, with a corresponding increase in equity in the case of equity-settled plans and the recognition of a liability for cash-settled plans.

The total amount to be expensed is determined by reference to the fair value of the awards, which are measured using standard option pricing models as the fair value of the services provided by employees, Partners and advisers cannot be reliably measured. For equity-settled plans, the fair value is determined at grant date and not subsequently remeasured.

For cash-settled plans, the fair value is remeasured at each reporting date and at the date of settlement, with any changes in fair value recognised in the statement of comprehensive income for the period.

At each reporting date, the Group revises its estimate of the number of awards that are expected to vest and it recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, such that the amounts recognised for employee, Partner and adviser services are based on the number of awards that actually vest. The charge to the statement of comprehensive income is not revised for any changes in market vesting conditions.

(ad) Share capital

Ordinary shares are classified as equity. Where any Group entity purchases the Company's equity share capital (shares held in trust), the consideration paid is deducted from equity attributable to shareholders, as disclosed in the Shares in trust reserve. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to shareholders, net of any directly attributable incremental transaction costs and the related income tax effects.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

(ae) Product classification

The Group's products are classified for accounting purposes as either insurance contracts or investment contracts.

(i) Insurance contracts

Insurance contracts are contracts that transfer significant insurance risk. The Group's historic product range includes a variety of term assurance and whole-of-life protection contracts involving significant insurance risk transfer.

(ii) Investment contracts

Contracts that do not transfer significant insurance risk are treated as investment contracts. The majority of the business written by the Group is unit-linked investment business and is classified as investment contracts.

(af) Impairment

(i) Non-financial assets

Assets that are subject to amortisation are reviewed for impairment when circumstances or events indicate there may be uncertainty over their value. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value-in-use. Refer to accounting policy (l) for the Group's impairment policy for goodwill.

(ii) Financial assets

Financial assets held at amortised cost are impaired using an expected credit loss model. The model splits financial assets into performing, underperforming and non-performing categories based on changes in credit quality since initial recognition. At initial recognition financial assets are considered to be performing. They become underperforming where there has been a significant increase in credit risk since initial recognition, and non-performing when there is objective evidence of impairment. 12 months of expected credit losses are recognised within expenses in the statement of comprehensive income and netted against the financial asset in the statement of financial position for all performing financial assets, with lifetime expected credit losses recognised for underperforming and non-performing financial assets.

Expected credit losses are based on the historic levels of loss experienced for the relevant financial assets, with due consideration given to forward-looking information.

The most significant category of financial assets held at amortised cost for the Group are business loans to Partners, which are explained in more detail in Note 15. The significant increase in credit risk which triggers the move from performing to underperforming for these assets is when they are more than 30 days past due, in line with the presumption set out in IFRS 9 Financial Instruments, or when the loan facility has expired and is in the process of being renegotiated. Business loans to Partners are classified as non-performing when the loan is to a Partner who has left the St. James's Place Partnership, or when the loan is to a Partner whom management considers to be at significant risk of leaving the Partnership and where an orderly settlement of debt is considered to be in question. The definition of non-performing loans in this context is a critical accounting judgement, about which more information is set out in Note 2.

(ag) Foreign currency translation

The Group's presentation and the Company's functional currency is pounds Sterling. The statement of comprehensive income and statement of cash flows for foreign subsidiaries are translated into the Group's presentation currency using exchange rates prevailing at the date of the transaction. The statement of financial position for foreign subsidiaries is translated at the year-end exchange rate. Exchange rate differences arising from these translations are taken to the statement of comprehensive income.

Foreign currency transactions are translated into pounds Sterling using the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the reporting date and the gain or losses on translation are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities which are held at historical cost are translated using exchange rates prevailing at the date of the transaction; those held at fair value are translated using exchange rates ruling at the date on which the fair value was determined.

(ah) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee.

(ai) Current and non-current disclosure

Assets which are expected to be recovered or settled no more than 12 months after the reporting date are disclosed as current within the Notes to the financial statements. Those expected to be recovered or settled more than 12 months after the reporting date are disclosed as non-current.

Liabilities which are expected or due to be settled no more than 12 months after the reporting date are disclosed as current within the Notes to the financial statements. Those liabilities which are expected or due to be settled more than 12 months after the reporting date are disclosed as non-current.

(aj) Alternative performance measures

Within the financial statements, a number of alternative performance measures (APMs) are disclosed. An APM is a measure of financial performance, financial position or cash flows which is not defined by the relevant financial reporting framework, which for the Group is International Financial Reporting Standards as adopted by the UK Endorsement Board. APMs are used to provide greater insight into the performance of the Group and the way it is managed by the Directors. A definition of each of the APMs is included in the glossary of alternative performance measures section, which explains why it is used and, where applicable, explains how the measure can be reconciled to the IFRS financial statements.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

2. Critical accounting estimates and judgements in applying accounting policies

Estimates

Critical accounting estimates are those which give rise to a significant risk of material adjustment to the balances recognised in the financial statements within the next 12 months. The Group's critical accounting estimates relate to:

- ◆ determining the value of insurance contract liabilities and reinsurance assets
- ◆ determining the fair value of investment property
- ◆ determining the fair value of Level 3 fixed income securities and equities
- ◆ determining the value of the Ongoing Service Evidence provision.

Estimates are also applied in calculating other assets of the financial statements, including determining the value of deferred tax assets, investment contract benefits, the operational readiness prepayment and other provisions.

Determining the value of insurance contract liabilities and reinsurance assets

In accordance with IFRS 17, the Group has used the following assumptions in the calculation of insurance contract liabilities and reinsurance assets:

- ◆ the assumed rate of investment return, which is based on current risk-free swap rates
- ◆ the mortality and morbidity rates, which are based on the results of an investigation of experience during the year
- ◆ the level of expenses, which for the year under review is based on actual expenses in 2025 and expected rates in 2026 and over the long term
- ◆ the lapse assumption, which is set based on an investigation of experience during the year
- ◆ the risk adjustment, which is determined using a cost of capital approach with a 3% charge (2024: 3%). There has been no change during the year.

Further details of the valuation of insurance contract liabilities and reinsurance assets, including sensitivity analysis, are set out in Note 17.

Determining the fair value of investment property

In accordance with IAS 40, the Group initially recognises investment properties at cost, and subsequently remeasures its portfolio to fair value in the statement of financial position. Fair value is determined at least monthly by professional external valuers. It is based on anticipated market values for the properties in accordance with the guidance issued by the Royal Institution of Chartered Surveyors (RICS), being the estimated amount that would be received from a sale of the assets in an orderly transaction between market participants.

The valuation of investment property is inherently subjective as it requires, among other factors, assumptions to be made regarding the ability of existing tenants to meet their rental obligations over the entire life of their leases, the estimation of the expected rental income into the future, the assessment of a property's potential to remain as an attractive technical configuration to existing and prospective tenants in a changing market and a judgement on the attractiveness of a building, its location and the surrounding environment. Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. In a valuation context, sustainability encompasses a wide range of physical, social, environmental and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as design, configuration, accessibility, legislation, management and fiscal considerations and, additionally, current and historical land use. As such, investment properties are classified as Level 3 in the IFRS 13 fair value hierarchy because they are valued using techniques which are not based on observable inputs.

During the prior year, SJP announced the decision to wind down the Property Unit Trust and remove the Property Life and Pension fund options. The process of determining the fair value of investment property remains unchanged.

Further details of the valuation of investment properties, including sensitivity analysis, are set out in Note 20.

Determining the fair value of Level 3 fixed income securities and equities

In accordance with IFRS 9, the Group elects to classify its portfolio of policyholder fixed income securities at fair value through profit and loss to match the accounting for policyholder liabilities. Its portfolio of equities is required to be held at fair value through profit and loss. As a result, all fixed income securities and equities are held at fair value, with the best evidence of the fair value at initial recognition typically being the transaction price, i.e. the fair value of the consideration given or received.

A number of investments are held in private credit and private equity assets, which are recognised within fixed income securities and within equities, respectively, on the consolidated statement of financial position. The fair value of these assets is determined following a monthly valuation process which uses two different valuation models and includes verification by professional external valuers. The models use suitable market comparatives and an estimate of future cash flows expected to flow from the issuing entity.

The valuations are inherently subjective as they require a number of assumptions to be made, such as determining which entities provide suitable market comparatives and their relevant performance metrics (for example earnings before interest, tax, depreciation and amortisation), determining appropriate discount rates and cash flow forecasts to use in models, the weighting to apply to each valuation methodology, and the point in the range of valuations to select as the fair value. As the inputs to the valuation models are unobservable, the investments in private credit and private equity assets are classified as Level 3 in the IFRS 13 fair value hierarchy.

Further details about the valuation models, including sensitivity analysis, is set out in Note 20.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

2. Critical accounting estimates and judgements in applying accounting policies continued

Determining the value of the Ongoing Service Evidence provision

The Group has committed to review the sub-population of clients that has been charged for ongoing advice services since the start of 2018 but where the evidence of delivery falls below the acceptable standard.

In accordance with IAS 37, the Group has quantified the Ongoing Service Evidence provision as the best estimate of the amount necessary to settle the present obligation, taking into account the associated risks and uncertainties.

The provision is based on an extrapolation of the experience of a representative cohort of clients. The period for the review has been determined by the Group to commence from 2018 following an assessment of the regulatory regime in force during this period and the requirement to retain evidence of delivery for this period of time.

During the year, following the FCA's new industry guidance around ongoing financial advice services, issued in February 2025, the Group revised the redress methodology. The Group have updated the assumptions to reflect experience from the project to date, which includes a larger representative cohort of clients.

Key estimates and assumptions in assessing the estimated value are:

- ◆ extrapolation from a representative cohort – that the assessment, of a representative cohort of client records, can be extrapolated to the wider review population
- ◆ opt-In response rate – the response rate by clients to an invitation to join the review, taking into account internal and industry experience
- ◆ administration costs – that in-house historic experience and wider market experience of similar exercises can be used to estimate the cost to fulfil the exercise.

Further details of the provision, including sensitivity analysis, are set out in Note 18.

Judgements

The primary areas in which the Group has applied judgement are as follows:

Consolidation

Entities are consolidated within the Group financial statements if they are controlled by the Group. Control exists if the Group is exposed to, or has rights to, variable returns from its involvement with the entity and the Group has the ability to affect those returns through its power over the entity. Significant judgement can be involved in determining whether the Group controls an entity, such as in the case of the structured entity set up for the Group's securitisation transaction, SJP Partner Loans No.1 Limited, and for the Group's unit trusts.

A structured entity is one that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. As a result, factors such as whether a Group entity is able to direct the relevant activities of the entity and the extent to which the Group is exposed to variability of returns are considered. In the case of SJP Partner Loans No.1 Limited, it was determined that the Group does control the entity and hence it is consolidated. This is due to an entity in the Group holding the junior tranche of loan notes, hence being subject to variability of returns, and the same entity being able to direct the relevant activities of the structured entity through its role of servicer to the securitised portfolio.

Unit trusts are consolidated when the Group holds more than 30% of the units in that unit trust. This is the threshold at which the Group is considered to achieve control, having regard to factors such as:

- ◆ the scope of decision-making authority held by St. James's Place Unit Trust Group Limited, the unit trust manager
- ◆ rights held by external parties to remove the unit trust manager
- ◆ the Group's exposure to variable returns through its holdings in the unit trusts and its ability to influence the unit trust manager's remuneration.

Determining non-performing business loans to Partners

Business loans to Partners are considered to be non-performing (Stage 3), in the context of the definition prescribed by IFRS 9, if they are in default. This is defined as a loan to either:

- ◆ a Partner who has left the St. James's Place Partnership; or
- ◆ a Partner whom management considers to be at significant risk of leaving the Partnership and where an orderly settlement of debt is considered to be in question.

Determining the derecognition of business loans to Partners

Business loans to Partners are derecognised, in the context of the definition prescribed by IFRS 9, when:

- ◆ the assets have been sold to a third-party
- ◆ there is an obligation to pay received cash flows in full without material delay to a third-party under a 'pass-through' arrangement
- ◆ the originator has transferred substantially all the risks and rewards of owning the assets.

See Note 15 for further information on the derecognition of business loans to Partners.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

3. Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board, in order to allocate resources to each segment and assess its performance.

The Group's only reportable segment under IFRS 8 is a 'wealth management' business – providing support to our clients through our network of advisers providing valuable face-to-face financial advice, and financial solutions including (but not limited to) wealth management products manufactured in the Group, such as insurance bonds, pensions, unit trust and ISA investments, and a DFM service.

Separate geographical segmental information is not presented since the Group does not segment its business geographically. Most of its customers are based in the United Kingdom, as is management of the assets. In particular, the operation based in AME is not yet sufficiently material for separate consideration.

Segment revenue

Revenue received from fee and commission income is set out in Note 4, which details the different types of revenue received from our wealth management business.

Segment profit

Two separate measures of profit are monitored by the Board. These are the post-tax Underlying cash result and the pre-tax European Embedded Value (EEV) profit. Further details can be found within the glossary of alternative performance measures section.

Underlying cash result

The measure of cash profit monitored by the Board is the post-tax Underlying cash result. For further information please refer to the glossary of alternative performance measures section.

More detail is provided in section 2.2 of the financial review.

The Cash result should not be confused with the IFRS consolidated statement of cash flows, which is prepared in accordance with IAS 7.

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Underlying cash result after tax	462.3	447.2
Ongoing Service Evidence provision	82.1	–
Movement in DAC/DIR/PVIF	35.2	(0.1)
Impact of policyholder tax asymmetry (see Note 4) ¹	(35.4)	(38.9)
Equity-settled share-based payments	(19.2)	(11.2)
Impact of deferred tax	8.0	(9.0)
Other	(1.6)	10.4
IFRS profit after tax	531.4	398.4
Shareholder tax	165.3	137.5
Profit before tax attributable to shareholders' returns	696.7	535.9
Tax attributable to policyholder returns	638.5	513.2
IFRS profit before tax	1,335.2	1,049.1

¹ Further information on policyholder tax asymmetry can also be found in the Glossary.

EEV operating profit

EEV operating profit is monitored by the Board. Further details on the EEV operating profit can be found within the glossary of alternative performance measures section.

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
EEV operating profit before tax after exceptional items	1,829.8	1,045.0
Investment return variance	709.4	533.7
Economic assumption changes	37.4	23.5
EEV profit before tax	2,576.6	1,602.2
Adjustments to IFRS basis:		
Deduct: amortisation of purchased value of in-force business	(3.2)	(3.2)
Movement of balance sheet life value of in-force business (net of tax)	(383.8)	(354.5)
Movement of balance sheet unit trust and DFM value of in-force business (net of tax)	(438.2)	(345.4)
Movement of balance sheet other value of in-force business (net of tax)	(583.5)	(291.4)
Tax on movement in value of in-force business	(471.2)	(71.8)
Profit before tax attributable to shareholders' returns	696.7	535.9
Tax attributable to policyholder returns	638.5	513.2
IFRS profit before tax	1,335.2	1,049.1

The movement in life, unit trust and DFM, and other value of in-force business is the difference between the opening and closing discounted value of the profits that will emerge from the in-force book over time, after adjusting for DAC and DIR impacts which are already included under IFRS.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

3. Segment reporting continued

Segment assets

Funds under management (FUM)

FUM, as reported in section 1 of the financial review, is the measure of segment assets which is monitored on a monthly basis by the Board.

	31 December 2025	31 December 2024
	£'Million	£'Million
Investment bond	44,120.0	39,180.0
Pension	119,940.0	101,980.0
UT/ISA and DFM	55,950.0	49,050.0
Total FUM	220,010.0	190,210.0
Exclude client and third-party holdings in non-consolidated unit trusts and DFM	(4,038.9)	(4,183.3)
Other	3,693.7	3,923.7
Gross assets held to cover unit liabilities	219,664.8	189,950.4
IFRS intangible assets	326.5	335.1
Shareholder gross assets	4,886.2	4,589.6
Total assets	224,877.5	194,875.1

Other represents liabilities included within the underlying unit trusts. The unit trust liabilities form a reconciling item between total FUM, which is reported net of these liabilities, and total assets, which exclude these liabilities.

More detail on IFRS intangible assets and shareholder gross assets is provided on page 211.

4. Fee and commission income

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Advice charges (post RDR)	1,396.0	1,089.2
Third-party fee and commission income	142.0	131.3
Wealth management fees	1,149.7	1,234.1
Investment management fees	276.6	74.5
Fund tax deductions	638.5	513.2
Policyholder tax asymmetry	(35.4)	(38.9)
Discretionary fund management fees	22.6	23.4
Fee and commission income before DIR amortisation	3,590.0	3,026.8
Amortisation of DIR	176.4	137.1
Total fee and commission income	3,766.4	3,163.9

Advice charges are received from clients for the provision of initial and ongoing advice in relation to a post-Retail Distribution Review (RDR) investment into a St. James's Place or third-party product.

Third-party fee and commission income is received from the product provider where an investment has been made into a third-party product.

Wealth management fees represent charges levied on manufactured business.

Investment management fees are received from clients for the provision of investment management. Broadly, investment management fees are matched by investment management expenses.

Fund tax deductions represent amounts credited to, or deducted from, the life insurance business to match policyholder tax credits or charges. Market conditions will impact the level of fund tax deductions. This may lead to significant year-on-year movements when markets are volatile.

Life insurance tax incorporates a policyholder tax element, and the financial statements of a life insurance group need to reflect the liability to HMRC, with the corresponding deductions incorporated into policy charges ('Fund tax deductions' in the table on the left). The tax liability to HMRC is assessed using IAS 12 Income Taxes, which does not allow discounting, whereas the policy charges are designed to ensure fair outcomes between clients and so reflect a wide range of possible outcomes. This gives rise to different assessments of the current value of future cash flows and hence an asymmetry in the IFRS consolidated statement of financial position between the deferred tax position and the offsetting client balance. The net tax asymmetry balance reflects a temporary position, and in the absence of market volatility we expect it will unwind as future cash flows become less uncertain and are ultimately realised.

External market conditions drive the movement in the policyholder tax asymmetry balances. Net market gains in the year to 31 December 2025 have resulted in a negative policyholder tax asymmetry.

Discretionary fund management fees are received from clients for the provision of DFM services.

Where an investment has been made in a St. James's Place product, the initial product charge is deferred and recognised as a deferred income liability. This liability is extinguished, and income recognised, over the expected life of the investment. The income is the amortisation of DIR in the table on the left.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

5. Expenses

The following items are included within the expenses disclosed in the statement of comprehensive income:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Payments to Partners	1,347.6	1,134.8
Fees payable to the Company's auditors and its associates:		
For the audit of the Company and consolidated financial statements	0.5	0.5
For other services:		
– Audit of the Company's subsidiaries (excluding unit trusts)	0.9	0.8
– Audit of the Company's unit trusts	0.9	0.8
– Audit-related assurance services	0.8	0.7
– Other assurance services	0.2	0.2
Total fees payable to the Company's auditors and its associates	3.3	3.0
Employee costs:		
Wages and salaries	267.1	255.5
Social security costs	37.8	29.2
Other pension costs	21.8	21.7
Cost of employee share awards and options	20.2	11.3
Total employee costs	346.9	317.7
Average monthly number of persons employed by the Group during the year	3,102	3,206

Included within fees payable to the Company's auditors and its associates for audit-related assurance services is £0.2 million (2024: £0.2 million) for non-audit services as defined by the Group's policy on auditor independence.

The above employee costs information includes Directors' remuneration. Full details of the Directors' remuneration, share options, pension entitlements and interests in shares are disclosed in the Directors' remuneration report, and further information is also provided below.

All pension costs related to defined contribution schemes and cash supplements in lieu of contributions to defined contribution pension schemes. At 31 December 2025, the number of Directors to whom retirement benefits are accruing, including those receiving a cash supplement in lieu of contributions to defined contribution pension schemes, is two (2024: two), with the total cost being £0.2 million (2024: £0.1 million).

The number of Directors who exercised options over shares in the Company during the year is nil (2024: nil). The number of Directors in respect of whose qualifying services shares were receivable under long-term incentive schemes is two (2024: three), and the total amount receivable by the Directors under long-term incentive schemes is £0.3 million (2024: £0.4 million). The aggregate gains made by Directors on the exercise of share options and the receipt of deferred bonus plan shares during the year was £nil (2024: £nil).

6. Investment return and movement in investment contract benefits

The majority of the business written by the Group is unit-linked investment business, and so investment contract benefits are measured by reference to the underlying net asset value of the Group's unitised investment funds. As a result, investment return on the unitised investment funds and the movement in investment contract benefits are linked.

Investment return

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
<i>Attributable to unit-linked investment contract benefits:</i>		
Rental income	37.9	60.8
Loss on revaluation of investment properties	(7.4)	(3.3)
Net investment return on financial instruments classified at fair value through profit and loss	20,024.1	15,594.6
	20,054.6	15,652.1
Income attributable to third-party holdings in unit trusts	6,230.9	7,036.4
Investment return on net assets held to cover unit liabilities	26,285.5	22,688.5
Net investment return on financial instruments classified at fair value through profit and loss	86.4	95.6
Net investment return on financial instruments held at amortised cost	(0.1)	1.2
Investment return on shareholder assets	86.3	96.8
Total investment return	26,371.8	22,785.3

Included in the net investment return on financial instruments classified as fair value through profit and loss, within investment return on net assets held to cover unit liabilities, is dividend income of £2,112.3 million (2024: £1,576.7 million).

Notes to the consolidated financial statements under International Financial Reporting Standards continued

6. Investment return and movement in investment contract benefits

continued

Movement in investment contract benefits

	2025	2024
	£'Million	£'Million
Balance at 1 January	141,038.8	123,149.8
Deposits	16,858.3	14,451.6
Withdrawals	(12,752.0)	(10,778.2)
Movement in unit-linked investment contract benefits	20,054.6	15,652.1
Fees and other adjustments	(1,471.0)	(1,436.5)
Balance at 31 December	163,728.7	141,038.8
Current	7,826.1	6,762.1
Non-current	155,902.6	134,276.7
	163,728.7	141,038.8
Movement in unit liabilities		
Unit-linked investment contract benefits	20,054.6	15,652.1
Third-party unit trust holdings	6,230.9	7,036.4
Movement in investment contract benefits in the consolidated statement of comprehensive income	26,285.5	22,688.5

See accounting policy (ai) for further information on the current and non-current disclosure.

7. Insurance revenue

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
<i>Amounts relating to changes in liabilities for remaining coverage</i>		
– Expected incurred claims and other insurance service expenses	22.2	23.2
– Change in risk adjustment for non-financial risk for risk expired	0.5	0.6
– CSM recognised for services provided	1.5	1.4
Total insurance revenue	24.2	25.2

8. Insurance service expenses

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
<i>Amounts relating to changes in liabilities for remaining coverage</i>		
– Incurred claims and other insurance service expenses	(22.6)	(21.8)
Total insurance services expenses	(22.6)	(21.8)

9. Finance income and finance costs

The following items are included within other finance income disclosed in the statement of comprehensive income:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Interest received on cash and cash equivalents	18.0	15.5
Interest received on business loans to Partners	46.0	43.0
Finance income	64.0	58.5
Interest paid on external borrowings	(24.0)	(33.0)
Interest paid on lease liabilities	(2.8)	(3.2)
Other interest paid	(2.1)	(0.2)
Finance costs	(28.9)	(36.4)

Finance income represents the interest received on shareholder cash and cash equivalents and business loans to Partners. See Note 15 for further information on business loans to Partners.

Finance costs represent the cost of interest charges on the Group's external borrowings and the interest charge on the Group's lease liabilities.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

10. Income and deferred taxes

Tax for the year

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Current tax		
UK corporation tax		
– Current year charge	513.4	330.7
– Adjustment in respect of prior year	2.2	1.9
Overseas taxes		
– Current year charge	12.2	17.0
– Adjustment in respect of prior year	0.1	(0.3)
	527.9	349.3
Deferred tax		
Unrealised capital gains in unit-linked funds	285.5	261.6
Unrelieved expenses		
– Utilisation in the year	7.1	8.9
DAC, DIR and PVIF	(1.6)	(5.3)
Share-based payments	(13.3)	(5.3)
Renewal income assets	(3.1)	(3.9)
Fixed asset timing differences	–	0.5
UK trading losses	–	40.8
Other items	3.4	3.8
Transitional adjustment	(1.1)	3.4
Adjustment in respect of prior year	(1.0)	(3.1)
	275.9	301.4
Total tax charge for the year	803.8	650.7
Attributable to:		
– Policyholders	638.5	513.2
– Shareholders	165.3	137.5
	803.8	650.7

The adjustment in respect of prior year of £2.3 million charge in current tax on the left represents a £3.4 million charge in respect of policyholder tax (2024: £2.4 million charge) and a credit of £1.1 million in respect of shareholder tax (2024: £0.8 million credit). The adjustment in respect of prior year of £1.0 million credit in deferred tax on the left represents £nil in respect of policyholder tax (2024: £0.1 million credit) and a credit of £1.0 million in respect of shareholder tax (2024: £3.0 million credit).

In arriving at the profit before tax attributable to shareholders' returns, it is necessary to estimate the distribution of the total tax charge/(credit) between that payable in respect of policyholders and that payable by shareholders. Shareholder tax is estimated by making an assessment of the effective rate of tax that is applicable to the shareholders on the profits attributable to shareholders. This is calculated by applying the appropriate effective corporate tax rates to the shareholder profits. The remainder of the tax charge/(credit) represents tax on policyholders' investment returns. This calculation method is consistent with the legislation relating to the calculation of tax on shareholder profits.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

10. Income and deferred taxes continued

Reconciliation of tax charge to expected tax

	Year ended 31 December 2025		Year ended 31 December 2024	
	£'Million		£'Million	
Profit before tax	1,335.2		1,049.1	
Tax attributable to policyholders' returns	(638.5)		(513.2)	
Profit before tax attributable to shareholders' returns	696.7		535.9	
Shareholder tax charge at corporate tax rate of 25% (2024: 25%)	174.2	25%	134.0	25%
Adjustments:				
Lower rates of corporation tax in overseas subsidiaries	(3.2)	(0.5%)	(1.2)	(0.2%)
Expected shareholder tax	171.0	24.5%	132.8	24.8%
Effects of:				
Non-taxable income	(0.4)		(0.4)	
Adjustment in respect of prior year				
– Current tax	(1.1)		(0.8)	
– Deferred tax	(1.0)		(3.1)	
Differences in accounting and tax bases in relation to employee share schemes	(12.2)		(3.1)	
Disallowable expenses	5.9		6.1	
Change in accounting base – Hong Kong	–		4.2	
Provision for future liabilities	–		(0.6)	
Tax losses not recognised	0.5		2.4	
Other	2.6		–	
	(5.7)	(0.8%)	4.7	0.9%
Shareholder tax charge	165.3	23.7%	137.5	25.7%
Policyholder tax charge	638.5		513.2	
Total tax charge for the year	803.8		650.7	

Tax calculated on profit before tax at 25.0% (2024: 25.0%) would amount to a charge of £333.8 million (2024: £262.3 million charge). The difference of £470.0 million (2024: £388.4 million) between this number and the total tax charge of £803.8 million (2024: £650.7 million charge) is made up of the reconciling items above which total a credit of £8.9 million (2024: £3.5 million charge) and the effect of the apportionment methodology on tax applicable to policyholder returns of £478.9 million (2024: £384.9 million).

Tax paid in the year

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Current tax charge for the year	527.9	349.3
Payments to be made in future years in respect of current year	(26.2)	(22.9)
Payments made in current year in respect of prior years	22.5	0.6
Other	0.3	(0.9)
Tax paid	524.5	326.1
Tax paid can be analysed as:		
– Taxes paid in UK	404.3	252.4
– Taxes paid in overseas jurisdictions	5.4	5.9
– Withholding taxes suffered on investment income received	114.8	67.8
Total	524.5	326.1

Notes to the consolidated financial statements under International Financial Reporting Standards continued

10. Income and deferred taxes continued

Deferred tax balances

Deferred tax assets

	Credit/(charge) to the statement of comprehensive income					Expected utilisation period	
	As at 1 January 2025	Utilised and created in year	Total credit/(charge)	Impact of acquisitions	Reanalysis from deferred tax liabilities	As at 31 December 2025	As at 31 December 2025
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	
Deferred acquisition costs (DAC)	0.9	0.5	0.5	–	(17.3)	(15.9)	14 years
Deferred income (DIR)	1.7	(3.6)	(3.6)	–	29.2	27.3	14 years
Fixed asset temporary differences	–	0.6	0.6	–	0.3	0.9	6 years
Renewal income assets	–	3.1	3.1	(3.9)	(17.3)	(18.1)	20 years
Share-based payments	–	13.2	13.2	0.4	10.1	23.7	3 years
Other temporary differences	0.1	(2.9)	(2.9)	–	(4.9)	(7.7)	–
Total	2.7	10.9	10.9	(3.5)	0.1	10.2	

	(Charge)/credit to the statement of comprehensive income					Expected utilisation period	
	As at 1 January 2024	Utilised and created in year	Total (charge)/credit	Impact of acquisitions	Reanalysis to deferred tax liabilities	As at 31 December 2024	As at 31 December 2024
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	
Deferred acquisition costs (DAC)	(18.6)	0.1	0.1	–	19.4	0.9	14 years
Deferred income (DIR)	35.1	(0.1)	(0.1)	–	(33.3)	1.7	14 years
Fixed asset temporary differences	1.3	–	–	–	(1.3)	–	6 years
Renewal income assets	(19.9)	–	–	–	19.9	–	20 years
Share-based payments	4.8	–	–	–	(4.8)	–	3 years
UK trading losses	36.1	(36.1)	(36.1)	–	–	–	–
Other temporary differences	(2.3)	–	–	–	2.4	0.1	–
Total	36.5	(36.1)	(36.1)	–	2.3	2.7	

Notes to the consolidated financial statements under International Financial Reporting Standards continued

10. Income and deferred taxes continued

Deferred tax liabilities

	Charge/(credit) to the statement of comprehensive income					Expected utilisation period	
	As at 1 January 2025	Utilised and created in year	Total charge/(credit)	Impact of acquisitions	Reanalysis to deferred tax assets	As at 31 December 2025	As at 31 December 2025
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	
Deferred acquisition costs (DAC)	24.1	(3.8)	(3.8)	–	(17.3)	3.0	14 years
Deferred income (DIR)	(30.1)	(0.1)	(0.1)	–	29.2	(1.0)	14 years
Purchased value of in-force business (PVIF)	1.2	(0.8)	(0.8)	–	–	0.4	1 year
Unrealised capital gains on life insurance (BLAGAB) assets backing unit liabilities	684.9	285.5	285.5	–	–	970.4	6 years
Unrelieved expenses on life insurance business	(17.3)	7.1	7.1	–	0.1	(10.1)	3 years
Fixed asset temporary differences	(0.4)	–	–	–	0.4	–	6 years
Renewal income assets	17.4	(0.1)	(0.1)	0.1	(17.3)	0.1	20 years
Share based payments	(10.1)	–	–	–	10.1	–	3 years
Transitional adjustment	5.0	(1.1)	(1.1)	(0.4)	(0.3)	3.2	3 years
Other temporary differences	4.7	0.1	0.1	0.2	(4.8)	0.2	
Total	679.4	286.8	286.8	(0.1)	0.1	966.2	

	Charge/(credit) to the statement of comprehensive income					Expected utilisation period	
	As at 1 January 2024	Utilised and created in year	Total charge/(credit)	Impact of acquisitions	Reanalysis from deferred tax assets	As at 31 December 2024	As at 31 December 2024
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	
Deferred acquisition costs (DAC)	12.3	(7.6)	(7.6)	–	19.4	24.1	14 years
Deferred income (DIR)	–	3.2	3.2	–	(33.3)	(30.1)	14 years
Purchased value of in-force business (PVIF)	2.0	(0.8)	(0.8)	–	–	1.2	2 years
Unrealised capital gains on life insurance (BLAGAB) assets backing unit liabilities	423.4	261.5	261.5	–	–	684.9	6 years
Unrelieved expenses on life insurance business	(26.2)	8.9	8.9	–	–	(17.3)	4 years
Fixed asset temporary differences	–	0.9	0.9	–	(1.3)	(0.4)	6 years
Renewal income assets	–	(2.5)	(2.5)	–	19.9	17.4	20 years
Share based payments	–	(5.3)	(5.3)	–	(4.8)	(10.1)	3 years
Transitional adjustment	–	3.4	3.4	–	1.6	5.0	4 years
Other temporary differences	0.2	3.6	3.6	0.1	0.8	4.7	
Total	411.7	265.3	265.3	0.1	2.3	679.4	

Notes to the consolidated financial statements under International Financial Reporting Standards continued

10. Income and deferred taxes continued

Appropriate investment income, gains or profits are expected to arise against which the tax assets can be utilised. Whilst the actual rates of utilisation will depend on business growth and external factors, particularly investment market conditions, they have been tested for sensitivity to experience and are resilient to a range of reasonably foreseeable scenarios.

At the reporting date there were unrecognised deferred tax assets of £20.9 million (2024: £19.4 million) in respect of £127.7 million (2024: £116.7 million) of losses in companies where appropriate profits are not considered probable in the forecast period. These losses primarily relate to the Group's Asia-based businesses and can be carried forward indefinitely.

Future tax changes

In the UK Autumn Budget 2025, the government announced an increase to the rate of income tax in relation to savings income from 20% to 22% for the savings basic rate band, with effect from 1 April 2027. This change has yet to be substantively enacted and as a result no remeasurement of deferred tax balances have taken place at 2025 year end. There remains some uncertainty regarding the application of this change specifically in respect of life policies so we continue to monitor developments. The potential impact, at 31 December 2025 of a remeasurement in deferred tax would be a £71.3m policyholder tax charge as a result of an increase to the deferred tax liabilities.

Global minimum tax – Pillar two

The SJP Group is subject to the Global minimum tax rules introduced by the Organisation for Economic Co-operation and Development (OECD) in 2024 and adopted into local legislation of various territories in which the Group operates, including the UK and Ireland. The group is subject to a domestic top-up tax in relation to its operations in Ireland, where the statutory corporate tax rate is 12.5%. This increases the effective tax rate for the SJP profits arising in Ireland to 15% and an adjustment of £0.3 million additional Irish tax has been posted in this respect (year to 31 December 2024: £0.1m charge). A Pillar Two adjustment is not required in any other location in which SJP operates. The Company has applied the exception afforded by the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), and as such does not recognise and disclose deferred tax impacts of any future top-up tax.

11. Goodwill, intangible assets, deferred acquisition costs (DAC) and deferred income (DIR)

	Goodwill	Purchased value of in-force business	Computer software and other specific software developments	DAC	DIR
	£'Million	£'Million	£'Million	£'Million	£'Million
Cost					
At 1 January 2024	36.6	73.4	65.6	945.8	(1,636.3)
Additions	–	–	5.1	45.2	(115.1)
Disposals	–	–	–	(182.0)	153.0
At 31 December 2024	36.6	73.4	70.7	809.0	(1,598.4)
Additions	–	–	–	50.7	(128.5)
Disposals	–	–	–	(191.0)	165.4
At 31 December 2025	36.6	73.4	70.7	668.7	(1,561.5)
Accumulated amortisation and impairment					
At 1 January 2024	3.0	65.4	37.6	641.4	(1,144.8)
Charge for the year	10.3	3.2	22.4	63.4	(137.1)
Eliminated on disposal	–	–	–	(182.0)	153.0
At 31 December 2024	13.3	68.6	60.0	522.8	(1,128.9)
Charge for the year	4.8	3.2	4.2	52.8	(176.4)
Eliminated on disposal	–	–	–	(191.0)	165.4
At 31 December 2025	18.1	71.8	64.2	384.6	(1,139.9)
Carrying value					
At 1 January 2024	33.6	8.0	28.0	304.4	(491.5)
At 31 December 2024	23.3	4.8	10.7	286.2	(469.5)
At 31 December 2025	18.5	1.6	6.5	284.1	(421.6)
Current	–	1.6	3.5	42.1	(150.5)
Non-current	18.5	–	3.0	242.0	(271.1)
Outstanding amortisation period					
At 31 December 2024	N/A	1 year	5 years	14 years	6 to 14 years
At 31 December 2025	N/A	1 year	5 years	14 years	6 to 14 years

Notes to the consolidated financial statements under International Financial Reporting Standards continued

11. Goodwill, intangible assets, deferred acquisition costs (DAC) and deferred income (DIR) continued

Goodwill

Goodwill is reviewed at least annually for impairment, or when circumstances or events indicate there may be uncertainty over its value. The recoverable amount has been based on value-in-use calculations using pre-tax cash flows. Details of the assumptions made in these calculations are provided below:

Key assumptions based on experience:	Value of new business and expenses
Projection period:	Five years extrapolated into perpetuity/ten years
Pre-tax discount rate based on a risk-free rate plus a risk margin:	7.8% to 10.8% (2024: 7.8% to 10.8%)

It is considered that no reasonably possible levels of change in the key assumptions would result in a material impairment of the goodwill.

Purchased value of in-force business/DAC/computer software

Amortisation is charged to expenses in the statement of comprehensive income. Amortisation profiles are reassessed annually.

DIR

Amortisation is credited within fee and commission income in the statement of comprehensive income. Amortisation profiles are reassessed annually.

12. Property and equipment, including leased assets

	Fixtures, fittings and office equipment	Computer equipment	Leased assets: properties	Total
	£'Million	£'Million	£'Million	£'Million
Cost				
At 1 January 2024	63.9	10.0	180.9	254.8
Additions	2.8	0.8	4.8	8.4
Disposals	(2.3)	–	(12.4)	(14.7)
At 31 December 2024	64.4	10.8	173.3	248.5
Additions	0.7	0.4	9.0	10.1
Disposals	(3.3)	–	(9.2)	(12.5)
At 31 December 2025	61.8	11.2	173.1	246.1
Accumulated depreciation				
At 1 January 2024	31.8	7.5	62.4	101.7
Charge for the year	6.4	1.6	15.4	23.4
Eliminated on disposal	(2.2)	–	(8.4)	(10.6)
At 31 December 2024	36.0	9.1	69.4	114.5
Charge for the year	5.3	1.0	14.5	20.8
Eliminated on disposal	(2.6)	–	(8.9)	(11.5)
At 31 December 2025	38.7	10.1	75.0	123.8
Net book value				
At 1 January 2024	32.1	2.5	118.5	153.1
At 31 December 2024	28.4	1.7	103.9	134.0
At 31 December 2025	23.1	1.1	98.1	122.3
Depreciation period (estimated useful life)				
At 31 December 2024	5 to 15 years	3 years	1 to 17 years	
At 31 December 2025	5 to 15 years	3 years	1 to 15 years	

Notes to the consolidated financial statements under International Financial Reporting Standards continued

13. Leases

This note provides information on leases where the Group is a lessee. For information on leases where the Group is a lessor, refer to Note 14.

The Group's leasing activities and how these are accounted for

The Group leases a portfolio of office properties, equipment and vehicles. The exemptions available under IFRS 16 for low-value or short-term leases have been applied to all leased equipment and vehicles, and so the leased assets and lease liabilities on the consolidated statement of financial position, and the depreciation charge for leased assets and interest expense on lease liabilities in the consolidated statement of comprehensive income, relate to the Group's portfolio of office properties only.

Leases are negotiated on an individual basis and hence contain a variety of different terms and conditions. They contain covenants and restrictions but generally these are standard and to be expected in a modern, commercial lease created under open-market terms. Typical covenants include paying the annual rent, insurance premiums, service charge, rates and VAT and keeping the property in good repair and condition throughout the lease. Typical restrictions include permitting office use only and not transferring or assigning the lease to a third-party without the lessor's consent. There are no residual value guarantees.

The Group is exposed to variability in lease payments, as a number of leases include rent reviews during the lease term which are linked to an index or to market rates. In accordance with IFRS 16, these variable lease payments are initially measured based on the index or rate at the commencement date of the lease. Estimates of future rent changes are not made; these changes are taken into account in the lease liabilities and leased assets only when the lease payments change and so the variability is resolved. There are no variable lease payments which are not linked to an index or to market rates.

The Group has not entered into any sale and leaseback transactions.

Details regarding the accounting policies applied to leases are set out in Note 1: refer to policies (c)(ii) Lease expenses, (o) Property and equipment and (ab) Other payables.

Amounts recognised in the consolidated statement of financial position

The following amounts are recognised in the consolidated statement of financial position.

	31 December 2025	31 December 2024
	£'Million	£'Million
Within the property and equipment balance – refer to Note 12		
Leased assets: properties	98.1	103.9
Within the other payables balance – refer to Note 16		
Lease liabilities: properties	100.8	107.2

A movement schedule for leased assets, setting out additions during the year and depreciation charged, is presented in Note 12. A movement schedule for lease liabilities is presented on the right.

Amounts recognised in the consolidated statement of comprehensive income

The following amounts relating to leases are recognised within expenses in the consolidated statement of comprehensive income.

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Depreciation charge for leased assets: properties	14.5	15.4
Interest expense on lease liabilities: properties	2.8	3.2
Lease expense relating to short-term leases	0.2	0.3
Lease expense relating to low-value assets	2.7	2.3
Total lease expense for the year	20.2	21.2
Total cash outflow for leases during the year	16.8	17.2

Reconciliation of lease liabilities: properties

The following movement schedule reconciles the opening and closing lease liabilities relating to properties in the consolidated statement of financial position.

	2025	2024
	£'Million	£'Million
Balance at 1 January	107.2	120.5
Additions	7.7	4.4
Disposals	(0.1)	(3.7)
Interest charged	2.8	3.2
Lease payments made	(16.8)	(17.2)
Balance at 31 December	100.8	107.2

The principal lease payments disclosed in the table below link to the principal lease payments set out in the consolidated statement of cash flows as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Interest payments	2.8	3.2
Principal lease payments	14.0	14.0
Lease payments made	16.8	17.2

Notes to the consolidated financial statements under International Financial Reporting Standards continued

14. Financial investments, investment property and cash and cash equivalents

Financial investments

	31 December 2025	31 December 2024
	£'Million	£'Million
Equities	147,807.5	130,549.0
Fixed income securities	31,564.1	26,118.5
Investments in Collective Investment Schemes	32,701.9	25,652.7
Total financial investments	212,073.5	182,320.2

Net assets held to cover unit liabilities

Included within the statement of financial position are the following assets and liabilities making up the net assets held to cover unit liabilities. The assets held to cover unit liabilities are set out in Adjustment 1 of the IFRS to Solvency II Net Assets Balance Sheet reconciliation on page 211.

	31 December 2025	31 December 2024
	£'Million	£'Million
Assets		
Investment property	370.3	892.3
Equities	147,807.5	130,549.0
Fixed income securities	31,553.8	26,109.9
Investment in Collective Investment Schemes	30,298.2	23,458.4
Cash and cash equivalents	5,854.9	5,311.3
Other receivables	871.4	816.7
Derivative financial assets	2,908.7	2,812.8
Total assets	219,664.8	189,950.4
Liabilities		
Other payables	1,029.2	692.7
Derivative financial liabilities	2,412.1	3,052.1
Total liabilities	3,441.3	3,744.8
Net assets held to cover linked liabilities	216,223.5	186,205.6
Investment contract benefits	163,728.7	141,038.8
Net asset value attributable to unit holders	51,982.8	44,699.5
Unit-linked insurance contract liabilities	512.0	467.3
Net unit-linked liabilities	216,223.5	186,205.6

Net assets held to cover linked liabilities, and third-party holdings in unit trusts, are considered to have a maturity of up to one year since the corresponding unit liabilities are repayable and transferable on demand. See accounting policy (ai) for further information on current and non-current disclosure.

Investment property

	2025	2024
	£'Million	£'Million
Balance at 1 January	892.3	1,110.3
Capitalised expenditure on existing properties	14.4	15.8
Disposals	(529.0)	(230.5)
Changes in fair value	(7.4)	(3.3)
Balance at 31 December	370.3	892.3

The Group is the lessor for a portfolio of properties which meet the definition of investment property. The portfolio is held within unit-linked funds, leased out under operating leases, and is considered current. However, since investment properties are not traded in an organised public market they are relatively illiquid compared with many other asset classes. There are no restrictions on the realisability of the Group's individual properties, or on the remittance of income or disposal proceeds.

The Group follows various strategies to minimise the risks associated with any rights the Group retains in the investment properties. These strategies include:

- ♦ actively reviewing and monitoring the condition of the properties and undertaking appropriate repairs, capital works projects and investments
- ♦ engaging professional legal advisers in drafting prudent lease terms governing the use of the properties and engaging specialist asset managers to oversee adherence to these terms on an ongoing basis
- ♦ actively reviewing and monitoring lessee financial covenant positions
- ♦ maintaining appropriate and prudent insurance for the properties
- ♦ senior management regularly reviewing the investment property portfolio to oversee diversification and performance, and to maximise value and occupancy rates.

Investment property is valued at least monthly by external chartered surveyors in accordance with the guidance issued by the Royal Institution of Chartered Surveyors. The investment property valuation has been prepared using the 'market approach' valuation technique: that is, using prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets.

The historical cost of investment properties held at 31 December 2025 is £547.5 million (2024: £987.4 million). This represents the price paid for investment properties, prior to any subsequent revaluation.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

14. Financial investments, investment property and cash and cash equivalents continued

The rental income and direct operating expenses recognised in the consolidated statement of comprehensive income in respect of investment properties are set out below. All expenses relate to property generating rental income.

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Rental income	37.9	60.8
Direct operating expenses	11.0	9.5

At the year-end contractual obligations to purchase, construct or develop investment property amounted to £nil (2024: £6.4 million).

Contractual obligations to dispose of investment property amounted to £nil (2024: £28.0 million).

A maturity analysis of undiscounted contractual rental income to be received on an annual basis for the next five years, and the total to be received thereafter, is set out below.

	31 December 2025	31 December 2024
	£'Million	£'Million
Undiscounted contractual rental income to be received in:		
Year 1	20.2	45.7
Year 2	18.3	42.6
Year 3	16.7	38.3
Year 4	15.3	33.8
Year 5	13.0	29.9
Year 6 onwards	132.7	156.2
Total undiscounted contractual rental income to be received	216.2	346.5

Cash and cash equivalents

	31 December 2025	31 December 2024
	£'Million	£'Million
Cash and cash equivalents not held to cover unit liabilities	329.6	352.6
Balances held to cover unit liabilities	5,854.9	5,311.3
Total cash and cash equivalents	6,184.5	5,663.9

All cash and cash equivalents are considered current.

15. Other receivables

	31 December 2025	31 December 2024
	£'Million	£'Million
Receivables in relation to unit liabilities excluding policyholder interests	715.3	656.4
Other receivables in relation to life and unit trust business	90.4	55.9
Operational readiness prepayment	228.1	256.3
Advanced payments to Partners	124.3	137.4
Other prepayments and accrued income	34.8	37.8
Business loans to Partners	639.9	557.3
Renewal income assets	119.8	121.0
Miscellaneous	34.7	45.3
Total other receivables on the Solvency II Net Assets Balance Sheet	1,987.3	1,867.4
Policyholder interests in other receivables (see Note 14)	871.4	816.7
Other	2.9	3.3
Total other receivables	2,861.6	2,687.4
Current	1,913.0	1,781.3
Non-current	948.6	906.1
	2,861.6	2,687.4

All items within other receivables meet the definition of financial assets with the exception of prepayments and advanced payments to Partners. The fair value of those financial assets held at amortised cost is not materially different from amortised cost.

Receivables in relation to unit liabilities relate to outstanding market trade settlements (sales) in the life unit-linked funds and the consolidated unit trusts. Other receivables in relation to insurance and unit trust business primarily relate to outstanding policy-related settlement timings. Both of these categories of receivables are short-term.

The operational readiness prepayment consists of directly invoiced operational readiness costs advanced and relates to the Bluedoor administration platform which has been developed by our key outsourced back-office administration provider. Management has assessed the recoverability of this prepayment against the expected cost saving benefit of lower future tariff costs arising from the platform. It is believed that no reasonably possible change in the assumptions applied within this assessment, notably levels of future business, the anticipated future service tariffs and the discount rate, would have an impact on the carrying value of the asset.

Renewal income assets represent the present value of future cash flows associated with business combinations or books of business acquired by the Group.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

15. Other receivables continued

Business loans to Partners

	31 December 2025	31 December 2024
	£'Million	£'Million
Business loans to Partners directly funded by the Group	370.1	386.6
Securitised business loans to Partners	269.8	170.7
Total business loans to Partners	639.9	557.3

Business loans to Partners are interest-bearing (linked to Bank of England base rate plus a margin), repayable in line with the terms of the loan contract and secured against the future income streams of the respective Partners.

Reconciliation of the business loans to Partners' opening and closing gross loan balances

	Stage 1: performing	Stage 2: under- performing	Stage 3: non- performing	Total
	£'Million	£'Million	£'Million	£'Million
Gross balance at 1 January 2025	484.2	48.5	33.1	565.8
Business loans to Partners classification changes:				
– Transfer to underperforming	(10.8)	10.8	–	–
– Transfer to non-performing	(7.1)	(0.3)	7.4	–
– Transfer to performing	19.5	(19.0)	(0.5)	–
New lending activity during the year	175.7	1.9	1.5	179.1
Interest charged during the year	40.5	2.7	2.8	46.0
Repayment activity during the year	(132.4)	(5.9)	(3.5)	(141.8)
Gross balance at 31 December 2025	569.6	38.7	40.8	649.1

	Stage 1: performing	Stage 2: under- performing	Stage 3: non- performing	Total
	£'Million	£'Million	£'Million	£'Million
Gross balance at 1 January 2024	359.7	44.6	8.5	412.8
Business loans to Partners classification changes:				
– Transfer to underperforming	(19.0)	19.0	–	–
– Transfer to non-performing	(21.0)	(2.5)	23.5	–
– Transfer to performing	16.5	(16.4)	(0.1)	–
New lending activity during the year	215.0	7.8	2.6	225.4
Interest charged during the year	37.4	3.6	2.0	43.0
Repayment activity during the year	(104.4)	(7.6)	(3.4)	(115.4)
Gross balance at 31 December 2024	484.2	48.5	33.1	565.8

Business loans to Partners: provision

The expected loss impairment model for business loans to Partners is based on the levels of loss experienced in the portfolio, with due consideration given to forward-looking information. For those business loans to Partners sold to a third-party in 2022, full credit risk was transferred.

The provision held against business loans to Partners as at 31 December 2025 was £9.2 million (2024: £8.5 million). During the year, £1.7 million of the provision was released (2024: £1.1 million), £nil was utilised (2024: £3.1 million) and new provisions and adjustments to existing provisions increased the total by £2.4 million (2024: £7.9 million).

There is no provision held against any other receivables held at amortised cost.

Business loans to Partners as recognised on the statement of financial position

	31 December 2025	31 December 2024
	£'Million	£'Million
Gross business loans to Partners	649.1	565.8
Provision	(9.2)	(8.5)
Net business loans to Partners	639.9	557.3

Renewal income assets

Movement in renewal income assets

	2025	2024
	£'Million	£'Million
Balance at 1 January	121.0	138.3
Additions	16.2	4.8
Disposals	(0.3)	(0.7)
Revaluation	(17.1)	(21.4)
Balance at 31 December	119.8	121.0

The key assumptions used for the assessment of the fair value of the renewal income are as follows:

	31 December 2025	31 December 2024
Lapse rate – SJP Partner renewal income ¹	5.0% to 15.0%	5.0% to 15.0%
Lapse rate – non-SJP renewal income ¹	10.4% to 25.0%	6.5% to 25.0%
Discount rate	17.3%	15.8%

¹ Future income streams are projected making use of retention assumptions derived from the Group's experience of the business or, where insufficient data exists, from external industry experience. These assumptions are reviewed on an annual basis.

These assumptions have been used for the analysis of each business combination classified within renewal income.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

16. Other payables

	31 December 2025	31 December 2024
	£'Million	£'Million
Payables in relation to unit liabilities excluding policyholder interests	179.6	216.7
Other payables in relation to life and unit trust business	602.5	590.4
Accrual for ongoing advice fees	267.6	168.9
Other accruals	210.0	138.5
Contract payment	59.9	72.2
Lease liabilities: properties (see Note 13)	100.8	107.2
Other payables in relation to Partner payments	91.5	88.9
Miscellaneous	99.0	62.6
Total other payables on the Solvency II Net Assets Balance Sheet	1,610.9	1,445.4
Policyholder interests in other payables (see Note 14)	1,029.2	692.7
Other (see adjustment 2 on page 211)	15.2	6.2
Total other payables	2,655.3	2,144.3
Current	2,517.0	1,992.5
Non-current	138.3	151.8
	2,655.3	2,144.3

Payables in relation to unit liabilities relate to outstanding market trade settlements (purchases) in the life unit-linked funds and the consolidated unit trusts. Other payables in relation to insurance and unit trust business primarily relate to outstanding policy-related settlement timings. Both of these categories of payables are short-term.

The contract payment of £59.9 million (2024: £72.2 million) represents payments made by a third-party service provider to the Group as part of a service agreement, which are non-interest-bearing and repayable over the life of the service agreement. The contract payment received prior to 2020 is repayable on a straight-line basis over the original 12-year term, with repayments commencing on 1 January 2017. The contract payment received in 2020 is repayable on a straight-line basis over 13 years and 4 months, with repayments commencing on 1 September 2020.

The lease liabilities: properties line item represents the present value of future cash flows associated with the Group's portfolio of property leases.

The fair value of financial instruments held at amortised cost within other payables is not materially different from amortised cost.

Policyholder interests in other payables are short-term in nature and can vary significantly from period to period due to prevailing market conditions and underlying trading activity.

17. Insurance contract liabilities and reinsurance assets

Risk

Insurance risk arises from inherent uncertainties as to the occurrence, amount and timing of insurance liabilities. The Group assumes insurance risk by issuing insurance contracts under which the Group agrees to compensate the client (or other beneficiary) if a specified future event (the insured event) occurs. The Group insures mortality and morbidity risks but has no longevity risk as we have never written any annuity business. The Group has a low appetite for insurance risk, only actively pursuing it where financially beneficial, or in support of strategic objectives.

Risk	Description	Management
Underwriting	Failure to price appropriately for a risk, or the impact of anti-selection.	The Group ceased writing new protection business in April 2011 and the remaining UK insurance risk is substantially covered by quota share reinsurance with a low level of retention. Experience is monitored regularly and for most business the premium or deduction rates can be reviewed.
Epidemic/disaster	An unusually large number of claims arising from a single incident or event.	Protection is provided through reinsurance. The Group has fully reinsured the UK insurance risk.
Expense	Administration costs exceed expense allowance.	Administration is outsourced and a tariff of costs is agreed. The contract is monitored regularly to rationalise costs incurred. Internal overhead expenses are monitored and closely managed.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

17. Insurance contract liabilities and reinsurance assets continued

Insurance contract liabilities

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	2025				2024			
	Liability for remaining coverage		Liability for incurred claims	Total	Liability for remaining coverage			Total
	Excluding loss component	Loss component			Excluding loss component	Loss component	Liability for incurred claims	
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Balance at 1 January	504.3	–	14.3	518.6	477.8	–	18.2	496.0
Insurance revenue	(24.2)	–	–	(24.2)	(25.2)	–	–	(25.2)
Insurance service expenses	–	–	22.6	22.6	–	–	21.8	21.8
Finance income from insurance contracts recognised in profit or loss	(0.9)	–	–	(0.9)	(2.1)	–	–	(2.1)
Total changes in the statement of comprehensive income	(25.1)	–	22.6	(2.5)	(27.3)	–	21.8	(5.5)
Investment components excluded from insurance revenue and insurance service expenses	41.4	–	30.4	71.8	25.0	–	46.0	71.0
Premiums received	27.2	–	–	27.2	28.8	–	–	28.8
Claims and other insurance service expenses paid	–	–	(48.9)	(48.9)	–	–	(71.7)	(71.7)
Total cash flows	27.2	–	(48.9)	(21.7)	28.8	–	(71.7)	(42.9)
Balance at 31 December	547.8	–	18.4	566.2	504.3	–	14.3	518.6
Current				90.5				77.8
Non-current				475.7				440.8
				566.2				518.6

Notes to the consolidated financial statements under International Financial Reporting Standards continued

17. Insurance contract liabilities and reinsurance assets continued

Reconciliation of the measurement components

	2025				2024			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Balance at 1 January	488.8	4.6	10.9	504.3	463.0	6.0	8.8	477.8
Insurance revenue	(26.3)	(0.4)	2.5	(24.2)	(26.1)	(1.1)	2.0	(25.2)
Finance income from insurance contracts recognised in profit or loss	(0.9)	–	–	(0.9)	(1.9)	(0.3)	0.1	(2.1)
Total changes in the statement of comprehensive income	(27.2)	(0.4)	2.5	(25.1)	(28.0)	(1.4)	2.1	(27.3)
Investment components excluded from insurance revenue and insurance service expenses	41.4	–	–	41.4	25.0	–	–	25.0
Premiums received	27.2	–	–	27.2	28.8	–	–	28.8
Total cash flows	27.2	–	–	27.2	28.8	–	–	28.8
Balance at 31 December	530.2	4.2	13.4	547.8	488.8	4.6	10.9	504.3
Less than 1 year			0.6				0.6	
In 2 to 5 years			2.0				1.8	
>5 years			10.8				8.5	
Expected recognition of the CSM			13.4				10.9	

The analysis above shows the expected recognition of the CSM remaining at the end of the reporting year.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

17. Insurance contract liabilities and reinsurance assets continued

Reinsurance assets

Reconciliation of the remaining coverage and incurred claims components

	2025			2024		
	Remaining coverage component	Recoverable for claims reinsured	Total	Remaining coverage component	Recoverable for claims reinsured	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Balance at 1 January	4.1	10.8	14.9	6.3	6.7	13.0
Net reinsurance expense	(18.4)	18.0	(0.4)	(22.6)	19.5	(3.1)
Finance (expenses)/income from reinsurance contracts recognised in profit or loss	(0.8)	–	(0.8)	0.5	–	0.5
Total changes in the statement of comprehensive income	(19.2)	18.0	(1.2)	(22.1)	19.5	(2.6)
Premiums paid	18.0	–	18.0	19.9	–	19.9
Reinsurance recapture	–	–	–	–	–	–
Amounts received from reinsurers relating to incurred claims	–	(20.0)	(20.0)	–	(15.4)	(15.4)
Total cash flows	18.0	(20.0)	(2.0)	19.9	(15.4)	4.5
Balance at 31 December	2.9	8.8	11.7	4.1	10.8	14.9
Current			8.1			10.2
Non-current			3.6			4.7
			11.7			14.9

Notes to the consolidated financial statements under International Financial Reporting Standards continued

17. Insurance contract liabilities and reinsurance assets continued

Reconciliation of the measurement components

	2025				2024			
	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Balance at 1 January	(1.8)	0.7	5.2	4.1	–	1.1	5.2	6.3
Net reinsurance expense	(18.0)	(0.2)	(0.2)	(18.4)	(22.3)	(0.3)	–	(22.6)
Finance (expenses)/income from reinsurance contracts recognised in profit or loss	(0.9)	0.1	–	(0.8)	0.6	(0.1)	–	0.5
Total changes in the statement of comprehensive income	(18.9)	(0.1)	(0.2)	(19.2)	(21.7)	(0.4)	–	(22.1)
Premiums paid	18.0	–	–	18.0	19.9	–	–	19.9
Total cash flows	18.0	–	–	18.0	19.9	–	–	19.9
Balance at 31 December	(2.7)	0.6	5.0	2.9	(1.8)	0.7	5.2	4.1
Less than 1 year			0.1				0.1	
In 2 to 5 years			0.6				0.6	
>5 years			4.3				4.5	
Expected recognition of the CSM			5.0				5.2	

All reinsurance contracts are measured using the fair value approach.

The analysis above shows the expected recognition of the CSM remaining at the end of the reporting year.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

17. Insurance contract liabilities and reinsurance assets continued

Assumptions used in the calculation of insurance contract liabilities and reinsurance assets

The principal assumptions used in the calculation of insurance contract liabilities and reinsurance assets are:

Assumption	Description											
Interest rate	The valuation interest rate is calculated by reference to the long-term risk-free swap rate at the balance sheet date. The specific rates used are between 3.4% and 4.5% depending on the tax regime (2024: 3.4% and 4.5%).											
Mortality	Mortality is based on Group experience and is set at 65% of the TM/F92 tables with an additional loading for smokers.											
Morbidity – critical illness	Morbidity is based on Group experience. There has been no change during 2025. Sample annual rates per £ for a male non-smoker are:											
	<table border="1"> <thead> <tr> <th>Age</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>25</td> <td>0.063%</td> </tr> <tr> <td>35</td> <td>0.111%</td> </tr> <tr> <td>45</td> <td>0.266%</td> </tr> </tbody> </table>	Age	Rate	25	0.063%	35	0.111%	45	0.266%			
Age	Rate											
25	0.063%											
35	0.111%											
45	0.266%											
Morbidity – permanent health insurance	Morbidity is based on Group experience. There has been no change during 2025. Sample annual rates per £ income benefit for a male non-smoker are:											
	<table border="1"> <thead> <tr> <th>Age</th> <th>Rate</th> </tr> </thead> <tbody> <tr> <td>25</td> <td>0.228%</td> </tr> <tr> <td>35</td> <td>0.603%</td> </tr> <tr> <td>45</td> <td>1.308%</td> </tr> </tbody> </table>	Age	Rate	25	0.228%	35	0.603%	45	1.308%			
Age	Rate											
25	0.228%											
35	0.603%											
45	1.308%											
Expenses	Contract liabilities are calculated allowing for the actual costs of administration of the business.											
	<table border="1"> <thead> <tr> <th rowspan="2">Product</th> <th colspan="2">Annual cost</th> </tr> <tr> <th>31 December 2025</th> <th>31 December 2024</th> </tr> </thead> <tbody> <tr> <td>Onshore protection business</td> <td>£37.02</td> <td>£35.69</td> </tr> <tr> <td>Offshore protection business</td> <td>£73.32</td> <td>£71.76</td> </tr> </tbody> </table>	Product	Annual cost		31 December 2025	31 December 2024	Onshore protection business	£37.02	£35.69	Offshore protection business	£73.32	£71.76
Product	Annual cost											
	31 December 2025	31 December 2024										
Onshore protection business	£37.02	£35.69										
Offshore protection business	£73.32	£71.76										
Persistency	Allowance is made for a best-estimate level of lapses within the calculation of the liabilities. There has been no change in rates during 2025. Sample annual lapse rates are:											
	<table border="1"> <thead> <tr> <th rowspan="2">Product</th> <th>Lapse</th> </tr> <tr> <th>All durations</th> </tr> </thead> <tbody> <tr> <td>Onshore protection business</td> <td>9%</td> </tr> <tr> <td>Offshore whole of life</td> <td>8%</td> </tr> <tr> <td>Offshore critical illness</td> <td>13%</td> </tr> </tbody> </table>	Product	Lapse	All durations	Onshore protection business	9%	Offshore whole of life	8%	Offshore critical illness	13%		
Product	Lapse											
	All durations											
Onshore protection business	9%											
Offshore whole of life	8%											
Offshore critical illness	13%											
Risk adjustment	The risk adjustment is determined using a cost of capital approach with a 3% charge. There has been no change during 2025.											

Sensitivity analysis

The table below sets out the sensitivity of the profit on insurance business and net assets to changes in key assumptions. The levels of sensitivity tested are consistent with those proposed in the EEV principles and reflect reasonable possible levels of change in the assumptions. The analysis reflects the change in the variable/assumption shown while all other variables/assumptions are left unchanged. In practice variables/assumptions may change at the same time, as some may be correlated (for example, an increase in interest rates may also result in an increase in expenses if the increase reflects higher inflation). It should also be noted that in some instances sensitivities are non-linear. The sensitivity percentage has been applied in proportion to the assumption: for example, application of a 10% sensitivity to a withdrawal assumption of 8% will increase it to 8.8%.

Sensitivity analysis	Change in assumption	Change in profit before tax 2025	Change in profit before tax 2024	Change in net assets 2025	Change in net assets 2024
	Percentage	£'Million	£'Million	£'Million	£'Million
Interest rates	(1%)	(5.2)	(5.5)	(4.0)	(4.2)
Mortality/morbidity	10%	(1.7)	(0.9)	(1.3)	(0.6)

A change in withdrawal rates and expense assumptions will have no material impact on insurance profit or net assets.

18. Other provisions and contingent liabilities

	Complaints provision	Ongoing Service Evidence provision	Lease provision	Clawback provision	Total provisions
	£'Million	£'Million	£'Million	£'Million	£'Million
At 1 January 2024	56.1	426.0	14.9	3.1	500.1
Additional provisions	21.8	–	0.3	0.3	22.4
Utilised during the year	(24.9)	(18.5)	(0.1)	–	(43.5)
Impact of discounting	–	17.6	–	–	17.6
Release of provision	(35.3)	–	(1.0)	–	(36.3)
At 31 December 2024	17.7	425.1	14.1	3.4	460.3
Additional provisions	45.4	–	1.2	0.6	47.2
Utilised during the year	(38.9)	(52.5)	(0.5)	–	(91.9)
Impact of discounting	–	9.2	–	–	9.2
Release of provision	(16.4)	(109.5)	(0.5)	–	(126.4)
At 31 December 2025	7.8	272.3	14.3	4.0	298.4

Other provisions

Complaints provision

The provision represents the best estimate of the complaint redress, based on complaints identified, an assessment of the proportion redressed, and an estimated cost of redress based on historic experience. A reasonably possible change of 10% in the key assumption, being the proportion requiring redress, would result in an increase/decrease of circa £0.6 million to the total complaints provision.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

18. Other provisions and contingent liabilities continued

It is estimated that significantly all the provision will be utilised over a one year period from the reporting date.

Ongoing Service Evidence provision

The Group has committed to review the sub-population of clients that have been charged for ongoing servicing since the start of 2018 but where the evidence of delivery falls below the acceptable standard.

The provision represents the best estimate of the redress exercise, and includes refund of charges, together with interest, plus the administration costs associated with completing this work. The provision is based on an extrapolation of the experience of a representative cohort of clients. See Note 2 for further information. The provision that has been recognised includes an estimated refund of charges, together with interest at FOS rates, plus the administration costs associated with completing this work. Allowance is also made for discounting over the expected duration of the exercise.

The release of £109.5 million during the year reflects the impacts of a) the Group's revised redress methodology implemented during the first half of the year, which better aligns to new industry guidance from the FCA and b) the Group's experience gained from the project across the year.

IAS 37 and IAS 1 requires the Group to set out sensitivities. In compliance with these requirements, the following table sets out the potential change to the provision balance at 31 December 2025 if the key assumptions were to vary as described:

Sensitivity analysis	Change in assumption Percentage	Change in profit/(loss) before tax	
		31 December 2025 £'Million	31 December 2024 £'Million
Extrapolation from a representative cohort	+2%	(18.6)	(22.0)
– Variation in proportion of client population subject to the review	-2%	18.6	22.0
Extrapolation from a representative cohort	+10%	(25.7)	(31.0)
– Variation in the level of charges, subject to refund	-10%	25.7	31.0
Opt-In response rate	+10%	(10.3)	(17.0)
– Variation in response rate	-10%	10.3	17.0
Administration costs	+10%	(2.0)	(12.0)
– Change in estimation of the cost to fulfil the exercise (cost per claim)	-10%	2.0	12.0

It is estimated that significantly all the provision will be utilised within one year from the reporting date.

Lease provision

The lease provision represents the value of expected future costs of reinstating leased property to its original condition at the end of the lease term. The estimate is based on the square footage of leased properties and typical costs per square foot of restoring similar buildings to their original state. The Group expects £2.1 million (2024: £1.3 million) of the provision to be utilised within one year. The majority of the provision relates to leased property with a maturity date of greater than five years.

Clawback provision

The clawback provision represents amounts due to third parties less amounts recovered from Partners. The provision is based on estimates of the indemnity commission that may be repaid. The Group expects to utilise the provision on a straight-line basis over four years.

With the exception of the Ongoing Service Evidence provision, it is considered that no reasonably possible level of changes in estimates would have a material impact on the value of the best estimate of the provisions.

Contingent liabilities

Complaints and disputes

The Group is committed to achieving good client outcomes but does, in the normal course of business receive complaints and claims. The Group also engages with relevant regulators and other government authorities such as HMRC on specific matters. Also, and as described in the strategic report, the FCA continues to reinforce the need for firms to embed the Consumer Duty regulation and there remains a risk that we fail to provide quality suitable advice to clients, or that we fail to evidence the provision of good quality service and advice, which could result in regulatory sanction and/or a need to refund or compensate clients. These issues, as they arise, can be significant and where appropriate, provisions for any potential redress, legal and administration costs, and related tax implications, have been established in accordance with IAS 37.

Guarantees

During the normal course of business, the Group may from time to time provide guarantees to Partners, clients or other third parties. However, based upon the information currently available to them, the Directors do not believe there are any guarantees which would have a material adverse effect on the Group's financial position, and so the fair value of any guarantees has been assessed as £nil (2024: £nil).

For further information, see the list of principal risks and uncertainties in the risk and control management section of the strategic report.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

19. Borrowings and financial commitments

Borrowings

Borrowings are a liability arising from financing activities. The Group has two different types of borrowings:

- ◆ senior unsecured corporate borrowings which are used to manage working capital, bridge intra-Group cash flows and fund investment in the business
- ◆ securitisation loan notes which are secured only on a legally segregated pool of the Group's business loans to Partners, and hence are non-recourse to the Group's other assets. Further information about business loans to Partners is provided in Note 15.

Senior unsecured corporate borrowings

	31 December 2025	31 December 2024
	£'Million	£'Million
Corporate borrowings: bank loans	–	250.0
Corporate borrowings: loan notes	125.6	138.3
Senior unsecured corporate borrowings	125.6	388.3

The primary senior unsecured corporate borrowings are:

- ◆ an undrawn revolving credit facility (RCF) of £345.0 million which is repayable at maturity in 2028 with variable interest rates. At 31 December 2025 the undrawn credit available under this facility was £345.0 million (2024: £345.0 million).
- ◆ a Note Purchase Agreement for £25.6 million. The notes are repayable in two equal instalments before maturity in 2027, with variable interest rates.
- ◆ a Note Purchase Agreement for £100.0 million. The notes are repayable at maturity in 2031, with variable interest rates.

During the year the fully drawn £250.0 million bridging loan was repaid in full and the facility closed.

The combined drawn carrying value of the senior unsecured corporate borrowings as at 31 December 2025 is £125.6 million (2024: £388.3 million). The Group is required to comply with financial covenants that are linked to (i) balance sheet leverage, (ii) total FUM, (iii) a minimum level of net assets; and (iv) our Solvency II ratio at the end of each annual and interim reporting period. The Group has complied with these covenants throughout the reporting period. There are no indications that the Group would have difficulties complying with the covenants when they will be next tested at 30 June 2026.

Total borrowings

	31 December 2025	31 December 2024
	£'Million	£'Million
Senior unsecured corporate borrowings	125.6	388.3
Senior tranche of non-recourse securitisation loan notes	215.9	128.5
Total borrowings	341.5	516.8
Current	55.5	41.3
Non-current	286.0	475.5
	341.5	516.8

The senior tranche of securitisation loan notes are repayable over the expected life of the securitisation (estimated to be five years) with a variable interest rate. They are held by third-party investors and secured on a legally segregated portfolio of business loans to Partners, and on the other net assets of the securitisation entity SJP Partner Loans No.1 Limited. Holders of the securitisation loan notes have no recourse to the assets held by any other entity within the Group. For further information on business loans to Partners, including the sale of securitised business loans to Partners during the year, refer to Note 15.

In addition to the senior tranche of securitisation loan notes, a junior tranche has been issued to another entity within the Group. The junior notes were eliminated on consolidation in the preparation of the Group financial statements and so do not form part of Group borrowings.

	31 December 2025	31 December 2024
	£'Million	£'Million
Junior tranche of non-recourse securitisation loan notes	63.7	48.2
Senior tranche of non-recourse securitisation loan notes	215.9	128.5
Total non-recourse securitisation loan notes	279.6	176.7
Backed by		
Securitised business loans to Partners (see Note 15)	269.8	170.7
Other net assets of SJP Partner Loans No.1 Limited	9.8	6.0
Total net assets held by SJP Partner Loans No.1 Limited	279.6	176.7

Notes to the consolidated financial statements under International Financial Reporting Standards continued

19. Borrowings and financial commitments continued

Movement in borrowings

Borrowings are liabilities arising from financing activities. The cash and non-cash movements in borrowings over the year are set out below, with the cash movements also set out in the consolidated statement of cash flows.

	2025			2024		
	Senior unsecured corporate borrowings	Senior tranche of securitisation loan notes	Total borrowings	Senior unsecured corporate borrowings	Senior tranche of securitisation loan notes	Total borrowings
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Balance at 1 January	388.3	128.5	516.8	201.1	50.3	251.4
Additional borrowing during the year	–	135.7	135.7	360.0	113.8	473.8
Repayment of borrowings during the year	(262.7)	(49.0)	(311.7)	(172.8)	(35.3)	(208.1)
Costs on additional borrowings during the year	–	(0.1)	(0.1)	(0.7)	(1.0)	(1.7)
Unwind of borrowing costs (non-cash movement)	0.4	0.8	1.2	0.9	0.7	1.6
Reclassification of prepaid loan facility expense to prepayments	(0.4)	–	(0.4)	(0.2)	–	(0.2)
Balance at 31 December	125.6	215.9	341.5	388.3	128.5	516.8

The fair value of the outstanding borrowings is not materially different from amortised cost. Interest expense on borrowings is recognised within Finance costs in the consolidated statement of comprehensive income.

Financial commitments

Guarantees

The Group guarantees loans provided by third parties to Partners. In the event of default on any individual Partner loan, the Group guarantees to repay the full amount of the loan, with the exception of Metro Bank. For this third-party the Group guarantees to cover losses up to 50% of the value to the total loans drawn. These loans are secured against the future income streams of the Partner. The value of the loans guaranteed is as follows:

	Loans guaranteed		Facility	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	£'Million	£'Million	£'Million	£'Million
Bank of Scotland	8.0	12.3	16.0	16.0
Investec	24.1	26.5	50.0	50.0
Metro Bank	6.7	10.6	20.0	35.0
NatWest	23.8	27.5	75.0	75.0
Santander	165.3	171.4	210.6	206.6
Total loans	227.9	248.3	371.6	382.6

The fair value of these guarantees has been assessed as £nil (2024: £nil).

20. Financial risk

Risk management objectives and risk policies

The Group's financial risk can usefully be considered by looking at two categories of assets:

- ◆ Assets backing unit liabilities (see Note 14)
- ◆ Shareholder assets.

In general, the policyholder bears the financial risk arising on assets backing the unitised business, and risk arising on shareholder assets is minimised through investment in liquid assets with a strong credit rating.

Exposure to the following risks for the two categories of assets is analysed separately in the following sections, in line with the requirements of IFRS 7:

- ◆ Credit risk
- ◆ Market risk
- ◆ Liquidity risk
- ◆ Currency risk

Credit risk is the risk of loss due to a debtor's non-payment of a loan or other line of credit. Credit risk also arises from holdings of cash and cash equivalents, deposits and formal loans with banks and financial institutions. The Group has adopted a risk-averse approach to such risk and has a stated policy of not actively pursuing or accepting credit risk except when necessary to support other objectives.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Risk	Description	Management
Shareholders' assets	Loss of assets or reduction in value.	Shareholder funds are predominantly invested in AAA-rated unitised money market funds, which are classified as investments in Collective Investment Schemes (CIS), and deposits with approved banks, but may be invested in sovereign fixed interest securities such as UK gilts where regulatory constraints on other assets apply. Maximum counterparty limits are set for each company within the Group and aggregate limits are also set at a Group level.
Reinsurance	Failure of counterpart, or counterparty unable to meet liabilities.	Credit ratings of potential reinsurers must meet or exceed AA-. Consideration is also given to size, risk concentrations/exposures and ownership in the selection of reinsurers. The Group also seeks to diversify its reinsurance credit risk through the use of a spread of reinsurers.
Business loans to Partners	Inability of Partners to repay loans or advances from the Group.	Loans and advances are managed in line with the Group's Secured Lending policy. Loans are secured on the future renewal income stream expected from a Partner's portfolio, and loan advances vary in relation to the projected future income of the relevant Partner. Outstanding balances are regularly reviewed and assessed on a conservative basis. Support is provided to help Partners manage their businesses appropriately. Expected credit losses are recognised as provisions against the loans.

Liquidity risk is the risk that the Group, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost. The Group is averse to liquidity risk and seeks to minimise this risk by not actively pursuing it except where necessary to support other objectives.

Risk	Description	Management
Cash or expense requirement	A significant cash or expense requirement needs to be met at short notice.	The majority of free assets are invested in cash or cash equivalents and the cash position and forecast are monitored on a monthly basis. The Group also maintains a margin of free assets in excess of the minimum required solvency capital within its regulated entities. Further, the Group has established committed borrowing facilities (see Note 19) intended to further mitigate liquidity risk.

Market risk is the impact a fall in the value of equity or other asset markets may have on the business. The Group adopts a risk-averse approach to market risk, with a stated Solvency policy of not actively pursuing or accepting market risk except where necessary to support other objectives. However, the Group accepts the risk that a fall in equity or other asset markets will reduce the level of annual management charge income derived from policyholder assets and the consequent risk of lower future profits.

The table below summarises the main market risks that the business is exposed to and the methods by which the Group seeks to mitigate them.

Risk	Description	Management
Client liabilities	As a result of a reduction in equity values, the Group may be unable to meet client liabilities.	This risk is substantially mitigated by the Group's strategic focus on unitised business, by not providing guarantees to clients on policy values and by the matching of assets and liabilities.
Retention	Loss of future profit on investment contracts due to more clients than anticipated withdrawing their funds, particularly as a result of poor investment performance.	Retention of investment contracts is closely monitored and unexpected experience variances are investigated. Retention has remained consistently strong throughout 2025 despite the volatile market conditions experienced.
New business	Poor performance in the financial markets in absolute terms, and relative to inflation, leads to existing and future clients rejecting investment in longer-term assets.	The benefit to clients of longer-term equity investment as part of a diversified portfolio of assets is fundamental to our philosophy. Advice becomes even more important when market values fall, and greater attention is required to support and give confidence to existing and future clients in such circumstances. In addition, as controls against poor performance the Group monitors asset allocations across portfolios to ensure they are working as expected to meet long-term goals, and monitors funds against their objectives to ensure an appropriate level of investment risk. Where necessary, fund managers are changed.

The Group is not subject to any significant direct currency risk, since all material shareholder financial assets and financial liabilities are denominated in pounds Sterling. However, since future profits are dependent on charges based on funds under management (FUM), changes in FUM as a result of currency movements will impact future profits.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Shareholder assets

Categories of financial assets and financial liabilities

The categories and carrying values of the shareholder financial assets and financial liabilities held in the Group's statement of financial position are summarised in the table below. The impact of climate change does not have a material impact on the fair values of the assets summarised below.

	2025					2024				
	Financial assets at fair value through profit and loss	Financial liabilities at fair value through profit and loss	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total	Financial assets at fair value through profit and loss	Financial liabilities at fair value through profit and loss	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Financial assets										
Fixed income securities	10.3	–	–	–	10.3	8.6	–	–	–	8.6
Investment in Collective Investment Schemes ¹	2,403.7	–	–	–	2,403.7	2,194.3	–	–	–	2,194.3
Other receivables ²										
– Business loans to Partners	–	–	639.9	–	639.9	–	–	557.3	–	557.3
– Renewal income assets	119.8	–	–	–	119.8	121.0	–	–	–	121.0
– Other	–	–	843.3	–	843.3	–	–	760.9	–	760.9
<i>Total other receivables</i>	119.8	–	1,483.2	–	1,603.0	121.0	–	1,318.2	–	1,439.2
Cash and cash equivalents	–	–	329.6	–	329.6	–	–	352.6	–	352.6
Total financial assets	2,533.8	–	1,812.8	–	4,346.6	2,323.9	–	1,670.8	–	3,994.7
Financial liabilities										
Borrowings	–	–	–	341.5	341.5	–	–	–	516.8	516.8
Other payables										
– Lease liabilities: properties	–	–	–	100.8	100.8	–	–	–	107.2	107.2
– Contingent consideration	–	8.1	–	–	8.1	–	5.3	–	–	5.3
– Other	–	–	–	1,517.2	1,517.2	–	–	–	1,339.1	1,339.1
<i>Total other payables</i>	–	8.1	–	1,618.0	1,626.1	–	5.3	–	1,446.3	1,451.6
Total financial liabilities	–	8.1	–	1,959.5	1,967.6	–	5.3	–	1,963.1	1,968.4

1 All assets included as shareholder investment in Collective Investment Schemes are holdings of high-quality, highly liquid money market funds, containing assets which are cash and cash equivalents.

2 Other receivables exclude prepayments and advanced payments to Partners, which are not considered financial assets.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Income, expense, gains and losses arising from financial assets and financial liabilities

The income, expense, gains and losses arising from shareholder financial assets and financial liabilities are summarised in the table below:

	2025				2024			
	Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total	Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Financial assets								
Fixed income securities	1.3	–	–	1.3	1.1	–	–	1.1
Investment in Collective Investment Schemes	96.6	–	–	96.6	108.7	–	–	108.7
Other receivables								
– Business loans to Partners	–	43.5	–	43.5	–	36.2	–	36.2
– Renewal income assets	(17.2)	–	–	(17.2)	(21.4)	–	–	(21.4)
<i>Total other receivables</i>	(17.2)	43.5	–	26.3	(21.4)	36.2	–	14.8
Cash and cash equivalents	–	18.0	–	18.0	–	15.5	–	15.5
Total financial assets	80.7	61.5	–	142.2	88.4	51.7	–	140.1
Financial liabilities								
Borrowings	–	–	(24.0)	(24.0)	–	–	(33.0)	(33.0)
Other payables								
– Lease liabilities: properties	–	–	(2.8)	(2.8)	–	–	(3.2)	(3.2)
– Other	–	–	(2.1)	(2.1)	–	–	(0.2)	(0.2)
<i>Total other payables</i>	–	–	(4.9)	(4.9)	–	–	(3.4)	(3.4)
Total financial liabilities	–	–	(28.9)	(28.9)	–	–	(36.4)	(36.4)

Losses on renewal income assets have been recognised within the investment return line in the statement of comprehensive income.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Fair value estimation

Financial assets and liabilities which are held at fair value in the financial statements are required to have disclosed their fair value measurements by level from the following fair value measurement hierarchy:

- ♦ quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- ♦ inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- ♦ inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's shareholder assets and liabilities measured at fair value.

	Level 1	Level 2	Level 3	Total balance
	£'Million	£'Million	£'Million	£'Million
2025				
Financial assets				
Fixed income securities	10.3	–	–	10.3
Investment in Collective Investment Schemes ¹	2,403.7	–	–	2,403.7
Renewal income assets	–	–	119.8	119.8
Total financial assets	2,414.0	–	119.8	2,533.8
Financial liabilities				
Contingent consideration	–	–	8.1	8.1
Total financial liabilities	–	–	8.1	8.1

	Level 1	Level 2	Level 3	Total balance
	£'Million	£'Million	£'Million	£'Million
2024				
Financial assets				
Fixed income securities	8.6	–	–	8.6
Investment in Collective Investment Schemes ¹	2,194.3	–	–	2,194.3
Renewal income assets	–	–	121.0	121.0
Total financial assets	2,202.9	–	121.0	2,323.9
Financial liabilities				
Contingent consideration	–	–	5.3	5.3
Total financial liabilities	–	–	5.3	5.3

¹ All assets included as shareholder investment in Collective Investment Schemes are holdings of high-quality, highly liquid unitised money market funds, containing assets which are cash and cash equivalents.

The fair value of financial instruments traded in active markets is based on quoted bid prices at the reporting date. These instruments are included in Level 1.

Level 2 financial assets and liabilities are valued using observable prices for identical current arm's-length transactions.

The renewal income assets are classified as Level 3 and are valued using a discounted cash flow technique and the assumptions outlined in Note 15. The effect of applying reasonably possible alternative assumptions of a movement of 200bps on the discount rate and a 10% movement in the lapse rate would result in an unfavourable change in valuation of £10.8 million (2024: £10.0 million) and a favourable change in valuation of £13.1 million (2024: £12.0 million), respectively.

The contingent consideration liability is classified as Level 3 and is valued based on the terms set out in the various sale and purchase agreements. Given the nature of the valuation basis the effect of applying reasonably possible alternative assumptions would result in an unfavourable change of £nil (2024: £nil) and favourable change of £8.1 million (2024: £5.3 million).

There were no transfers between Level 1 and Level 2 during the year, nor into or out of Level 3.

The following tables present the changes in Level 3 financial assets and liabilities at fair value through the profit and loss:

Financial assets

	2025	2024
	£'Million	£'Million
Renewal income assets		
Balance at 1 January	121.0	138.3
Additions during the year	16.2	4.8
Disposals during the year	(0.3)	(0.7)
Unrealised losses recognised in the statement of comprehensive income	(17.1)	(21.4)
Balance at 31 December	119.8	121.0

Unrealised losses on renewal income assets are recognised within investment return in the consolidated statement of comprehensive income.

Financial liabilities

	2025	2024
	£'Million	£'Million
Contingent consideration		
Balance at 1 January	5.3	3.2
Additions during the year	8.2	3.4
Payments made during the year	(4.8)	(1.3)
Released during the year	(0.6)	–
Balance at 31 December	8.1	5.3

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Credit risk

The following table sets out the maximum credit risk exposure and ratings of shareholder financial and other assets which are susceptible to credit risk:

	2025						2024					
	AAA	AA	A	BB	Unrated	Total	AAA	AA	A	BB	Unrated	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Fixed income securities	–	10.3	–	–	–	10.3	–	8.6	–	–	–	8.6
Investment in Collective Investment Schemes ¹	2,403.7	–	–	–	–	2,403.7	2,194.3	–	–	–	–	2,194.3
Other receivables	–	8.8	–	–	1,594.2	1,603.0	–	10.8	–	–	1,428.4	1,439.2
Cash and cash equivalents	–	157.6	172.0	–	–	329.6	–	187.9	164.7	–	–	352.6
Total	2,403.7	176.7	172.0	–	1,594.2	4,346.6	2,194.3	207.3	164.7	–	1,428.4	3,994.7

¹ Investment of shareholder assets in Collective Investment Schemes refers to investment in unitised money market funds, containing assets which are cash and cash equivalents.

Other receivables includes £639.9 million (2024: £557.3 million) of business loans to Partners, which are interest-bearing (linked to Bank of England base rate plus a margin), repayable in line with the terms of the loan contract and secured against the future renewal income streams of the respective Partners.

Impairment of these loans is determined using the expected loss model set out in IFRS 9. Expected credit losses are based on the historic levels of loss experienced on business loans to Partners, with due consideration given to forward-looking information. A range of factors, including the nature or type of the loan and the security held, are taken into account in calculating the provision.

The loan balance is presented net of a £9.2 million provision (2024: £8.5 million); see Note 15. The movement in the impairment provision will reflect utilisation of the existing provision during the year, but the overall cost of business loans to Partners (including new provisions) recognised within administration expenses in the statement of comprehensive income during the year was a charge of £0.7 million (2024: £6.8 million).

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Contractual maturity and liquidity analysis

The following table sets out the contractual maturity analysis of the Group's financial assets and financial liabilities. All financial liabilities are undiscounted:

	2025				2024			
	Up to 1 year	1 to 5 years	Over 5 years	Total	Up to 1 year	1 to 5 years	Over 5 years	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Financial assets								
Fixed income securities	10.3	–	–	10.3	8.6	–	–	8.6
Investment in Collective Investment Schemes	2,403.7	–	–	2,403.7	2,194.3	–	–	2,194.3
Other receivables								
– Business loans to Partners	79.6	293.3	267.0	639.9	88.1	247.8	221.4	557.3
– Renewal income	22.6	51.3	45.9	119.8	23.1	52.2	45.7	121.0
– Other	843.3	–	–	843.3	760.9	–	–	760.9
<i>Total other receivables</i>	945.5	344.6	312.9	1,603.0	872.1	300.0	267.1	1,439.2
Cash and cash equivalents	329.6	–	–	329.6	352.6	–	–	352.6
Total financial assets	3,689.1	344.6	312.9	4,346.6	3,427.6	300.0	267.1	3,994.7
Financial liabilities								
Borrowings	76.2	167.9	174.1	418.2	58.4	389.7	141.8	589.9
Other payables								
– Lease liabilities: properties	18.4	60.2	65.9	144.5	14.6	60.6	74.1	149.3
– Contingent consideration	0.2	7.9	–	8.1	2.3	3.0	–	5.3
– Other	1,471.8	38.0	13.5	1,523.3	1,281.7	48.0	18.0	1,347.7
<i>Total other payables</i>	1,490.4	106.1	79.4	1,675.9	1,298.6	111.6	92.1	1,502.3
Total financial liabilities	1,566.6	274.0	253.5	2,094.1	1,357.0	501.3	233.9	2,092.2

Sensitivity analysis to market risks

Financial assets and liabilities held outside unitised funds primarily consist of fixed interest securities, units in money market funds, cash and cash equivalents, and other accounting assets and liabilities. The fixed interest securities are short-term and are held as an alternative to cash. Similarly, cash held in unitised money market funds and at bank is valued at par and is unaffected by movements in interest rates. Other assets and liabilities are similarly unaffected by market movements.

As a result of these combined factors, the Group's financial assets and liabilities held outside unitised funds are not materially subject to market risk, and movements at the reporting date in interest rates and equity values have an immaterial impact on the Group's profit after tax and equity. However, future profits from annual management charges may be affected by movements in interest rates and equity values.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Unit liabilities and associated assets

Categories of financial assets and financial liabilities

Assets held to cover unit liabilities are summarised in Note 14, and all are held at fair value through profit or loss. Equities, investments in unit trusts which sit within investment in Collective Investment Schemes, and derivative financial assets are required to be held at fair value through profit or loss by IFRS 9, as they are equity instruments or derivatives. All other assets held to cover unit liabilities are elected to be held at fair value through profit or loss to match the fair value through profit or loss classification which is required for unit liabilities. They are designated as such upon initial recognition.

Income, expense, gains and losses arising from financial assets, investment properties and financial liabilities

The income, expense, gains and losses arising from financial assets, investment properties and financial liabilities are summarised in the table below:

	31 December 2025	31 December 2024
	£'Million	£'Million
Financial assets and investment properties		
Investment properties	19.5	48.0
Other assets backing unit liabilities	20,024.1	15,594.6
Total financial assets and investment properties	20,043.6	15,642.6
Financial liabilities¹		
Unit liabilities	(20,054.6)	(15,652.1)
Total financial liabilities	(20,054.6)	(15,652.1)

¹ None of the change in the fair value of financial liabilities at fair value through profit or loss is attributable to changes in their credit risk.

The investment properties figure of £30.5 million for the year ended 31 December 2025 (2024: £48.0 million) includes direct operating expenses of £11.0 million (2024: £9.5 million).

Gains/(losses) have been recognised within the investment return line in the statement of comprehensive income.

Fair value estimation

Financial assets and liabilities which are held at fair value in the financial statements are required to have disclosed their fair value measurements, split by level in the fair value measurement hierarchy. The following table presents the Group's unit liabilities and associated assets measured at fair value:

	Level 1	Level 2	Level 3	Total balance
	£'Million	£'Million	£'Million	£'Million
31 December 2025				
Financial assets and investment properties				
Investment property	–	–	370.3	370.3
Equities	147,423.5	–	384.0	147,807.5
Fixed income securities	7,741.1	23,772.7	40.0	31,553.8
Investment in Collective Investment Schemes	30,284.5	–	13.7	30,298.2
Derivative financial assets	–	2,908.7	–	2,908.7
Cash and cash equivalents	5,854.9	–	–	5,854.9
Total financial assets and investment properties	191,304.0	26,681.4	808.0	218,793.4
Financial liabilities				
Investment contract benefits	–	163,728.7	–	163,728.7
Derivative financial liabilities	–	2,412.1	–	2,412.1
Net asset value attributable to unit holders	51,982.8	–	–	51,982.8
Total financial liabilities	51,982.8	166,140.8	–	218,123.6
31 December 2024				
Financial assets and investment properties				
Investment property	–	–	892.3	892.3
Equities	129,554.8	–	994.2	130,549.0
Fixed income securities	6,938.3	19,059.7	111.9	26,109.9
Investment in Collective Investment Schemes	23,447.1	–	11.3	23,458.4
Derivative financial assets	–	2,812.8	–	2,812.8
Cash and cash equivalents	5,311.3	–	–	5,311.3
Total financial assets and investment properties	165,251.5	21,872.5	2,009.7	189,133.7
Financial liabilities				
Investment contract benefits	–	141,038.8	–	141,038.8
Derivative financial liabilities	–	3,052.1	–	3,052.1
Net asset value attributable to unit holders	44,699.5	–	–	44,699.5
Total financial liabilities	44,699.5	144,090.9	–	188,790.4

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

In respect of the derivative financial liabilities, £7.5 million of collateral had been posted as at 31 December 2025 (2024: £158.8 million), comprising cash and treasury bills, in accordance with the terms and conditions of the derivative contracts.

The fair value of financial instruments traded in active markets is based on quoted bid prices at the reporting date. These instruments are included in Level 1.

The Group closely monitors the valuation of assets in markets that have become less liquid. Determining whether a market is active requires the exercise of judgement and is determined based upon the facts and circumstances of the market for the instrument being measured. Where it is determined that there is no active market, fair value is established using a valuation technique. The techniques applied incorporate relevant information available and reflect appropriate adjustments for credit and liquidity risks. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. The relative weightings given to differing sources of information and the determination of non-observable inputs to valuation models can require the exercise of significant judgement.

If all significant inputs required to fair-value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Note that all of the resulting fair value estimates are included in Level 2, except for certain equities, fixed income securities, investments in Collective Investment Schemes and investment properties as detailed below.

Specific valuation techniques used to value Level 2 financial assets and liabilities include the use of observable prices for identical current arm's-length transactions, specifically:

- the fair value of fixed income securities is determined by inputs including interest rates and market-observable yield curves of similar instruments in the market
- the fair value of unit-linked liabilities is assessed by reference to the underlying net asset value of the Group's unitised investment funds, determined on a bid value basis, at the reporting date
- the Group's derivative financial instruments are valued using valuation techniques commonly used by market participants. These consist of discounted cash flow and option pricing models, which typically incorporate observable market data, principally interest rates, basis spreads, foreign exchange rates, equity prices and counterparty credit.

Specific valuation techniques used to value Level 3 financial assets and liabilities include:

- the use of unobservable inputs, such as expected rental values and equivalent yields
- other techniques, such as discounted cash flow and historic lapse rates, which are used to determine fair value for the remaining financial instruments.

There were no transfers between Level 1 and Level 2 during the year.

Transfers into and out of Level 3 portfolios

The Group's policy is to recognise transfers into and out of levels as of the end of each reporting period except for material transfers which are recognised as of the date of the event or change in circumstances that caused the transfer. Transfers out of Level 3 portfolios arise when inputs that could have a significant impact on the instrument's valuation become market-observable; conversely, transfers into the portfolios arise when consistent sources of data cease to be available.

Transfers in of certain investments in Collective Investment Schemes occur when asset valuations can no longer be obtained from an observable market price; e.g. where they have become illiquid, in liquidation, suspended, etc. The converse is true if an observable market price becomes available.

The following table presents the changes in Level 3 financial assets and liabilities at fair value through profit and loss:

	Investment property	Fixed income securities	Equities	Collective Investment Schemes
	£'Million	£'Million	£'Million	£'Million
2025				
Balance at 1 January 2025	892.3	111.9	994.2	11.3
Transfer into Level 3	–	5.4	–	2.8
Additions during the year	14.4	31.9	29.7	–
Disposals during the year	(529.0)	(101.8)	(557.4)	(0.2)
Losses recognised in the income statement	(7.4)	(7.4)	(82.5)	(0.2)
Balance at 31 December 2025	370.3	40.0	384.0	13.7
Realised gains/(losses)	21.1	(8.6)	146.4	–
Unrealised (losses)/gains	(28.5)	1.2	(228.9)	(0.2)
Losses recognised in the income statement	(7.4)	(7.4)	(82.5)	(0.2)
	Investment property	Fixed income securities	Equities	Collective Investment Schemes
	£'Million	£'Million	£'Million	£'Million
2024				
Balance at 1 January 2024	1,110.3	346.5	1,627.0	7.4
Transfer into Level 3	–	4.8	–	4.0
Additions during the year	15.8	33.9	62.7	–
Disposals during the year	(230.5)	(270.2)	(724.4)	(0.5)
(Losses)/gains recognised in the income statement	(3.3)	(3.1)	28.9	0.4
Balance at 31 December 2024	892.3	111.9	994.2	11.3
Realised (losses)/gains	(95.3)	(2.0)	177.6	–
Unrealised gains/(losses)	92.0	(1.1)	(148.7)	0.4
(Losses)/gains recognised in the income statement	(3.3)	(3.1)	28.9	0.4

Unrealised and realised (losses)/gains for all Level 3 assets are recognised within investment return in the statement of comprehensive income.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Level 3 valuations

Investment property

At 31 December 2025 the Group held £370.3 million (2024: £892.3 million) of investment property, all of which is classified as Level 3 in the fair value hierarchy. It is initially measured at cost including related acquisition costs and subsequently valued at least monthly by professional external valuers at the properties' respective fair values at each reporting date. The fair values derived are based on anticipated market values for the properties in accordance with guidance issued by the Royal Institution of Chartered Surveyors, being the estimated amount that would be received from a sale of the assets in an orderly transaction between market participants. The valuation of investment property is inherently subjective as it requires, among other factors, assumptions to be made regarding the ability of existing tenants to meet their rental obligations over the entire life of their leases; the estimation of the expected rental income into the future; the assessment of a property's potential to remain as an attractive technical configuration to existing and prospective tenants in a changing market; and a judgement on the attractiveness of a building, its location and the surrounding environment.

31 December 2025	Investment property classification			
	Office	Industrial	Retail and leisure	All
Gross ERV (per sq ft)¹				
Range	£28.43-£63.50	£12.00-£24.00	£1.86-£80.00	£1.86-£80.00
Weighted average	£41.25	£16.46	£19.15	£19.34
True equivalent yield				
Range	7.0%-9.5%	5.0%-10.0%	4.5%-32.5%	4.5%-32.5%
Weighted average	8.2%	5.5%	8.0%	7.4%

31 December 2024	Investment property classification			
	Office	Industrial	Retail and leisure	All
Gross ERV (per sq ft)¹				
Range	£31.00 to £120.00	£5.50 to £24.00	£1.86 to £80.00	£1.86 to £120.00
Weighted average	£49.70	£14.46	£13.96	£17.70
True equivalent yield				
Range	4.7% to 10.5%	4.6% to 7.0%	5.7% to 9.1%	4.7% to 10.5%
Weighted average	6.8%	5.6%	7.3%	6.3%

¹ Equivalent rental value (per square foot).

Fixed income securities and equities

At 31 December 2025 the Group held £40.0 million (2024: £111.9 million) in private credit investments, and £384.0 million (2024: £994.2 million) in private market investments through the St. James's Place Diversified Assets (FAIF) Unit Trust. These are recognised within fixed income securities and equities, respectively, in the consolidated statement of financial position. They are measured at fair value, with the best evidence of the fair value at initial recognition being the transaction price, i.e. the fair value of the consideration given or received. Following initial recognition, a monthly valuation process occurs which includes verification by suitably qualified professional external valuers, who are members of various industry bodies including the British Private Equity and Venture Capital Association.

The fair values of the private credit investments are principally determined using two valuation methods:

1. The shadow rating method, which assigns a shadow credit rating to the debt-issuing entity and determines an expected yield with reference to observable yields for comparable companies with a public credit rating in the loan market.
2. The weighted average cost of capital (WACC) method, which determines the debt-issuing entity's WACC with reference to observable market comparatives.

The expected yield and WACC are used as the discount rates to calculate the present value of the expected future cash flows under the shadow rating and WACC methods respectively, which is taken to be the fair value.

The fair values of the private market investments are principally determined using two valuation methods:

1. A market approach with reference to suitable market comparatives.
2. An income approach using discounted cash flow analysis which assesses the fair value of each asset based on its expected future cash flows.

The output of each method for both the private credit and private market investments is a range of values, from which the mid-point is selected to be the fair value in the majority of cases. The mid-point will not be selected if further information is known about an investment which cannot be factored into the valuation method used. A weighting is assigned to the values determined following each method to determine the final valuation.

The valuations are inherently subjective as they require a number of assumptions to be made, such as determining which entities provide suitable market comparatives and their relevant performance metrics (for example earnings before interest, tax, depreciation and amortisation), determining appropriate discount rates and cash flow forecasts to use in models, the weighting to apply to each valuation methodology, and the point in the range of valuations to select as the fair value.

Sensitivity of Level 3 valuations

Investment in Collective Investment Schemes

The valuations of certain investments in Collective Investment Schemes are based on the latest observable price available. Whilst such valuations are sensitive to estimates, it is believed that changing the price applied to a reasonably possible alternative would not change the fair value significantly.

Investment property

As set out on the left of this page, investment property is initially measured at cost including related acquisition costs and subsequently valued at least monthly by professional external valuers at the properties' respective fair values at each reporting date. The following table sets out the effect of applying reasonably possible alternative assumptions, being a 10% movement in estimated rental value and a 50bps movement in relative yield, to the valuation of the investment properties. Any change in the value of investment property is matched by an associated movement in the policyholder liability, and therefore would not impact the shareholder net assets.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

	Investment property significant unobservable inputs	Effect of reasonably possible alternative assumptions		
		Carrying value	Favourable changes	Unfavourable changes
		£'Million	£'Million	£'Million
31 December 2025	Expected rental value/relative yield	370.3	412.4	303.2
31 December 2024	Expected rental value/relative yield	892.3	1,064.5	747.0

Fixed income securities and equities

As set out on the previous page, the fair values of the Level 3 fixed income securities and equities are selected from the valuation range determined through the monthly valuation process. The following table sets out the effect of valuing each of the assets at the high and low point of the range. As with investment property, any change in the value of these fixed income securities or equities is matched by an associated movement in the policyholder liability, and therefore would not impact on the shareholder net assets.

		Effect of reasonably possible alternative assumptions		
		Carrying value	Favourable changes	Unfavourable changes
		£'Million	£'Million	£'Million
31 December 2025	Fixed income securities	40.0	42.7	37.2
	Equities	384.0	434.7	333.6
31 December 2024	Fixed income securities	111.9	115.6	108.1
	Equities	994.2	1,128.1	911.7

Credit risk

Credit risk relating to unit liabilities is borne by the unit holders.

Contractual maturity and liquidity analysis

Unit liabilities (and the associated assets) are deemed to have a maturity of up to one year since they are repayable and transferable on demand. In practice the contractual maturities of the assets may be longer than one year, but the majority of assets held within the unit-linked and unit trust funds are highly liquid and the Group also actively monitors fund liquidity.

Sensitivity analysis to market risks

The majority of the Group's business is unitised and the direct associated market risk is therefore borne by unit holders. For completeness, we note that there is an indirect risk associated with market performance as future shareholder income is dependent upon markets; however, the direct risk has been mitigated through the Group's approach to matching assets and liabilities.

21. Cash generated from operations

	Note	Year ended 31 December 2025	Year ended 31 December 2024
		£'Million	£'Million
Cash flows from operating activities			
Profit before tax for the year		1,335.2	1,049.1
Adjustments for:			
Amortisation of purchased value of in-force business	11	3.2	3.2
Amortisation of computer software	11	4.2	22.4
Depreciation	12	20.8	23.4
Impairment of goodwill	11	4.8	10.3
Loss on disposal of property and equipment, including leased assets	12	1.0	4.1
Share-based payment charge	24	20.2	11.2
Interest income		(224.5)	(236.6)
Interest expense	9	28.9	36.4
Decrease in provisions	18	(161.9)	(39.8)
Exchange rate losses/(gains)		3.0	(0.2)
		(300.3)	(165.6)
Changes in operating assets and liabilities			
Decrease in deferred acquisition costs	11	2.1	18.2
Decrease in investment property		522.0	218.0
Increase in other investments		(29,849.2)	(23,738.7)
Increase in investments in associates		(0.3)	(3.5)
Decrease/(increase) in reinsurance assets		3.2	(1.9)
(Increase)/decrease in other receivables		(170.2)	310.3
Increase in insurance contract liabilities		47.6	22.6
Increase in financial liabilities (excluding borrowings)		22,049.9	17,868.1
Decrease in deferred income	11	(47.9)	(22.0)
Increase/(decrease) in other payables		520.7	(246.1)
Increase in net assets attributable to unit holders		7,283.3	4,163.0
		361.2	(1,412.0)
Cash generated from/(used in) operations		1,396.1	(528.5)

Notes to the consolidated financial statements under International Financial Reporting Standards continued

22. Capital management and allocation

The Group's capital management policy, set by the Board, is to maintain a strong capital base in order to:

- ◆ protect clients' interests
- ◆ meet regulatory requirements
- ◆ protect creditors' interests
- ◆ create shareholder value through support for business development.

The policy requires that each subsidiary manages its own capital, in particular to maintain regulatory solvency, in the context of a Group capital plan. Any capital in excess of planned requirements is returned to the Group's Parent Company, St. James's Place plc, normally by way of dividends. The Group capital position is monitored by the Audit Committee on behalf of the St. James's Place plc Board.

Regulatory capital

The Group's capital management policy, for each subsidiary, is to hold the management capital coverage assessment (previously known as the management solvency buffer) which is the higher of:

- ◆ the capital required by any relevant supervisory body, uplifted by a specified margin to absorb changes
- ◆ the capital required based on the Company's internal assessment.

For our insurance companies, we hold capital based on our own internal assessment, recognising the regulatory requirement. For other regulated companies we generally hold capital based on the regulatory requirement uplifted by a specified margin.

The following entities are subject to regulatory supervision and have to maintain a minimum level of regulatory capital:

Entity	Regulatory body and jurisdiction
Perennial Financial Management Limited	FCA: Personal Investment Firm
Policy Services Limited	FCA: Personal Investment Firm
St. James's Place Investment Management Limited (formerly Rowan Dartington & Co. Limited)	FCA: Investment Firm
St. James's Place (Hong Kong) Limited	Securities and Futures Commission (Hong Kong): Insurance Authority (Hong Kong)
St. James's Place (Middle East) Limited	Dubai Financial Services Authority
St. James's Place International (Hong Kong) Limited	Insurance Authority (Hong Kong)
St. James's Place International plc	Central Bank of Ireland: Life Insurance Business
St. James's Place Investment Administration Limited	FCA: Investment Firm
St. James's Place Partnership Services Limited	FCA: Consumer Credit Firm
St. James's Place (Singapore) Private Limited	Monetary Authority of Singapore: Member of the Association of Financial Advisers
St. James's Place UK plc	PRA and FCA: Long-term insurance business
St. James's Place Unit Trust Group Limited	FCA: UCITS Management Company
St. James's Place Wealth Management plc	FCA: Personal Investment Firm

Notes to the consolidated financial statements under International Financial Reporting Standards continued

22. Capital management and allocation continued

In addition, the St. James's Place Group is regulated as an insurance group under Solvency II, with the PRA as the lead regulator. More information about the capital position of the Group under Solvency II regulations is set out in the separate Solvency and Financial Condition Report document. The overall capital position for the Group at 31 December 2025, assessed on the standard formula basis, is presented in the following table:

	31 December 2025	31 December 2024
	£'Million	£'Million
IFRS total assets	224,877.5	194,875.1
Less Solvency II valuation adjustments and unit-linked liabilities	(223,266.4)	(193,434.5)
Solvency II net assets	1,611.1	1,440.6
Solvency II value of in-force (VIF)	3,463.1	2,992.4
Risk margin	(441.9)	(373.0)
Own funds (A)	4,632.3	4,060.0
Standard formula SCR (B)	(2,508.9)	(2,104.1)
Solvency II free assets	2,123.4	1,955.9
Solvency II ratio (A/B)	185%	193%

The solvency ratio after payment of the proposed Group final dividend is 182% at 31 December 2025 (31 December 2024: 190%).

An overall internal capital assessment is required for insurance groups. This is known as an ORSA (Own Risk and Solvency Assessment) and is described in more detail in the ORSA section within the risk and control management section.

The regulatory capital requirements of companies within the Group, and the associated solvency of the Group, are assessed and monitored by the Finance Oversight Group with oversight by the Audit Committee on behalf of the Group Board. Ultimate responsibility for individual companies' regulatory capital lies with the relevant subsidiary boards.

All regulated entities exceeded the minimum solvency requirements at the reporting date and during the year. The required minimum regulatory capital, and analysis of the assets that qualify as regulatory capital, is outlined in the databook on our website sjp.co.uk/full-year-results-2025-databook, which demonstrates that the Group has met its internal capital objectives. The Group and its individually regulated operations have complied with all externally and internally imposed capital requirements throughout the year.

See section 3 of the financial review for further information on capital and liquidity.

23. Share capital, earnings per share and shareholder returns

Share capital

	Number of ordinary shares	Called-up share capital £'Million
At 1 January 2024	548,604,794	82.3
– Shares repurchased in buy-back programmes	(4,590,083)	(0.7)
At 31 December 2024	544,014,711	81.6
– Issue of shares	136,975	–
– Shares repurchased in buy-back programmes	(17,039,551)	(2.5)
At 31 December 2025	527,112,135	79.1

Ordinary shares have a par value of 15 pence per share (2024: 15 pence per share) and are fully paid.

Included in the called-up share capital are 8,686,829 (2024: 4,876,364) shares held in the Shares in trust reserve with a nominal value of £1.3 million (2024: £0.7 million). The shares are held by the SJP Employee Benefit Trust and the St. James's Place 2010 Share Incentive Plan Trust to satisfy certain share-based payment schemes. The Trustees of the SJP Employee Benefit Trust retain the right to dividends on the shares held by the Trust but have chosen to waive their entitlement to the dividends on 5,766,265 shares at 31 December 2025 and 2,135,521 shares at 31 December 2024. The trustees of St. James's Place Share Incentive Plan Trust retain the right to dividends on forfeited shares held by the Trust but have chosen to waive their entitlement to the dividend on 1,028 shares at 31 December 2025 (2024: 1,034).

Share capital increases are included within the issue of shares line.

During the year, the Company repurchased and cancelled 17,039,551 shares (2024: 4,590,083) for a total consideration of £188.1 million (2024: £32.9 million) and incurred transaction costs of £1.1 million (2024: £0.2 million). The cancelled shares, which had a nominal value of £2.5 million (2024: £0.7 million), have been reflected as a decrease in share capital with a corresponding increase in the capital redemption reserve as required by the Companies Act 2006.

The number of shares reserved for issue under options and contracts for sale of shares, including terms and conditions, is included within Note 24.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

23. Share capital, earnings per share and shareholder returns

continued

Earnings per share

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Earnings		
Profit after tax attributable to equity shareholders (for both basic and diluted EPS)	531.1	398.4
	Million	Million
Weighted average number of shares		
Weighted average number of ordinary shares in issue (for basic EPS)	531.5	545.4
Adjustments for outstanding share options	6.3	3.6
Weighted average number of ordinary shares (for diluted EPS)	537.8	549.0
	Pence	Pence
Earnings per share (EPS)		
Basic earnings per share	99.9	73.0
Diluted earnings per share	98.8	72.6

Dividends

The following dividends have been paid by the Group:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2025	Year ended 31 December 2024
	Pence per share	Pence per share	£'Million	£'Million
Final dividend in respect of 2023	–	8.00	–	43.8
Interim dividend in respect of 2024	–	6.00	–	32.8
Final dividend in respect of 2024	12.00	–	64.4	–
Interim dividend in respect of 2025	6.00	–	31.9	–
Total dividends	18.00	14.00	96.3	76.6

In respect of 2025 the Directors have recommended a 2025 final dividend of 12.00 pence per share. This amounts to £63.3 million based on the number of shares in issue on 31 December 2025 and will, subject to shareholder approval at the Annual General Meeting, be paid on 8 May 2026 to those shareholders on the register as at 27 March 2026.

In addition, under the authority granted by shareholders at the 2025 Annual General Meeting, the Directors have resolved to undertake:

- ◆ a final share buy-back programme in respect to 2025, committing to purchase shares up to a maximum value of £103.9 million.
- ◆ an additional share buy-back programme to return capital to shareholders following a release of the Ongoing Service Evidence provision, committing to purchase shares up to a maximum value of £18.7 million.

These share buy-backs will commence in March 2026.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

24. Share-based payments

During the year ended 31 December 2025, the Group operated a number of different equity-settled and cash-settled share-based payment arrangements, which are aggregated as follows:

Share option schemes

- ◆ **Save As You Earn (SAYE) Plan** – this is an equity-settled scheme that is available to all employees where individuals may contribute up to £500 per month over the three-year vesting period to purchase shares at a price not less than 80% of the market price at the date of the invitation to participate. A total of 441,555 (2024: 3,204,991) SAYE options were granted on 30 September 2025 (2024: two grants made on 22 March 2024 and 25 September 2024). There are no other vesting conditions.
- ◆ **Associate Partner Plan** – this is an equity-settled scheme that was launched during 2017 whereby Partners and advisers are entitled to purchase a set number of shares in the future at the market price at the date of the invitation if they meet the required business volumes over the following three years. No grants were made in 2025 (2024: nil).
- ◆ **Executive Performance Share Plan** – the Group Remuneration Committee may make awards of performance options to the Executive Directors and other senior managers. Two thirds of options awarded to Executive Directors are subject to an earnings growth condition(s) of the Group and one third of options awarded to Executive Directors are subject to a comparative total shareholder return condition, both measured over a three-year performance period. Further information regarding the vesting conditions of the earnings-growth-dependent and total-shareholder-return-dependent portions of the award is given in the Report of the Group Remuneration Committee. Awards made to senior managers are typically subject to the same performance conditions as the awards to Executive Directors. Alternatively, awards made to senior managers may be subject to personal performance conditions. This is predominantly an equity-settled scheme. A total of 1,697,851 (2024: 3,394,380) options were granted under the Performance Share Plan across four grants made on 25 March 2025, 12 May 2025, 14 April 2025 and 11 August 2025 (2024: two grants made on 25 March 2024 and 27 November 2024).
- ◆ **Buyout Awards** – under these plans recently recruited Executive Directors or members of the Group Executive Committee have been awarded conditional and performance-related shares. The vesting of conditional awards is subject to employment related conditions. Performance awards include both Group and external performance conditions. The Group performance targets are outlined in the details of the Executive Performance Share Plan above and in the Report of the Group Remuneration Committee. The external performance conditions are the original performance conditions relating to forfeited awards which had an outstanding performance period of less than two years at the time of award. The plans are predominantly equity-settled. 138,293 (2024: 241,181) awards were granted under the Buyout award plans on 12 May 2025 (2024: 10 December 2024).

Share awards

- ◆ **Share Incentive Plan (SIP)** – this is an equity-settled scheme, available to all employees, where individuals may invest up to an annual limit of £1,800 of pre-tax salary in St. James's Place plc shares, to which the Group will add a further 10%. The vesting period is three years; however, if the shares are held for five years they may be sold free of income tax or capital gains tax. There are no other vesting conditions. A total of 8,478 (2024: 19,385) shares were granted under the SIP on 25 March 2025 (2024: 25 March 2024).
- ◆ **Executive Deferred Bonus Plan (DBP)** – under these plans the deferred element of the annual bonus is used to purchase shares at market value in the Company. The shares are held in trust over the three-year vesting period and may be subject to further non-market-based performance conditions. The plans are predominantly equity-settled. A total of 887,787 (2024: 1,079,020) shares were granted under the Deferred Bonus Plan on 25 March 2025 (2024: 25 March 2024).
- ◆ **Restricted Share Plan** – under this plan employees are awarded performance-related shares with the vesting condition being linked to Group funds under management. The plan is predominantly equity-settled. A total of 4,608 (2024: 576,010) awards were granted under the Restricted Share Plan on 25 March 2025 (2024: 25 March 2024).

Share options and awards outstanding under the various share-based payment schemes set out above at 31 December 2025 amount to 15.7 million shares (2024: 17.6 million). Of these, 2.6 million (2024: 2.8 million) are under option to Partners and advisers of the St. James's Place Partnership, 9.8 million (2024: 11.6 million) are under option to Executive Directors and senior management (including 1.2 million (2024: 1.1 million) under option to Directors as disclosed in the Directors' remuneration report) and 3.3 million (2024: 3.2 million) are under option through the SAYE and SIP schemes. These are exercisable on a range of future dates.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

24. Share-based payments continued

Financial assumptions underlying the calculation of fair value

The fair value expense has been based on the fair value of the instruments granted, as calculated using appropriate derivative pricing models. The table below shows the weighted average assumptions and models used to calculate the grant-date fair value of each award:

Valuation model	SAYE Plan ³	Share Incentive Plan	Executive Deferred Bonus	Executive Performance Share Plan ^{3,4}	Restricted Share Plan	Buyout Awards – Conditional	Buyout Awards – Performance ^{4,5}
	Black-Scholes	Black-Scholes	Black-Scholes	Monte Carlo	Monte Carlo	Black-Scholes	Monte Carlo
Awards in 2025							
Fair value (pence)	506.0	1,030.0	1,030.0	660.2/901.3	978.5	1,064.0	N/A
Share price (pence)	1,270.0	1,030.0	1,030.0	1,030.0	1,030.0	1,064.0	N/A
Exercise price (pence)	971.0	–	–	–	–	–	–
Expected volatility (% per annum) ¹	39.9	N/A	N/A	39.5	N/A	N/A	N/A
Expected dividends (% per annum) ²	1.4	–	–	1.7	1.7	–	N/A
Risk-free interest rate (% per annum)	4.0	N/A	N/A	4.3	N/A	N/A	N/A
Expected life (years)	3.5	3	3	3	3	1–3.5	N/A
Volatility of competitors (% per annum)	N/A	N/A	N/A	20–70	N/A	N/A	N/A
Correlation with competitors (%)	N/A	N/A	N/A	28	N/A	N/A	N/A

Valuation model	SAYE Plan ³	Share Incentive Plan	Executive Deferred Bonus	Executive Performance Share Plan ^{3,4}	Restricted Share Plan	Buyout Awards – Conditional	Buyout Awards – Performance
	Black-Scholes	Black-Scholes	Black-Scholes	Monte Carlo	Monte Carlo	Black-Scholes	Monte Carlo
Awards in 2024							
Fair value (pence)	114.2/266.4	470.0	470.0	105.3/418.8	403.3	864.0	194.0/770.0
Share price (pence)	458.6/725.0	470.0	470.0	470.0	470.0	864.0	864.0
Exercise price (pence)	405.0/578.0	–	–	–	–	–	–
Expected volatility (% per annum) ¹	36.9/39.9	N/A	N/A	36.9	N/A	N/A	36.9
Expected dividends (% per annum) ²	5.2/1.9	–	–	5.1	5.1	–	5.1
Risk-free interest rate (% per annum)	3.91/3.74	N/A	N/A	4	N/A	N/A	4.0
Expected life (years)	3.5	3	3	3	3	1–6	3–6
Volatility of competitors (% per annum)	N/A	N/A	N/A	20–69	N/A	N/A	20–69
Correlation with competitors (%)	N/A	N/A	N/A	32	N/A	N/A	32

¹ Expected volatility is based on an analysis of the Company's historical share price volatility over a period which is commensurate with the expected term of the options or the awards.

² For schemes where dividends are payable on the shares during the vesting period, the dividend yield assumption in the Black-Scholes option pricing model is set at zero.

³ The awards made under the Executive Performance Share Plan are dependent upon earnings growth in the Company (two-thirds of the award) and a total shareholder return of a comparator group of companies (one-third of the award). This results in having two fair values for each of the awards made in the table above: the first being in relation to the comparator total shareholder return, which is a market-based performance condition and so valued using a Monte Carlo simulation; and the second relating to the Company's earnings growth, which is a non-market-based performance condition and so valued using the Black-Scholes model.

⁴ The awards made under the Executive Performance Share Plan and Buyout Awards – Performance, to recently recruited Executive Directors or members of the Group Executive Committee (GEC), are subject to a two-year holding period once the award has vested. This results in discounted fair values for the Executive Director and GEC population of 660.2/901.3 (2024: 105.3/418.8) to reflect the reduced marketability of the awards.

⁵ The awards made under Buyout Awards – Performance are significantly dependent upon earnings growth in the Company (two-thirds of the award) and a total shareholder return of a comparator group of companies (one-third of the award). This results in having two fair values for each of the awards made in the table above, the first being in relation to the comparator total shareholder return which is a market-based performance condition and so valued using a Monte Carlo simulation, and the second relating to the Company's earnings growth, which is a non-market-based performance condition and so valued using the Black-Scholes model.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

24. Share-based payments continued

Share option schemes

	Year ended 31 December 2025	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2024
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
SAYE Plan				
Outstanding at start of year	3,184,995	£4.43	862,956	£10.26
Granted	441,555	£9.71	3,204,991	£4.20
Forfeited	(285,079)	£5.45	(882,952)	£9.32
Exercised	(61,756)	£5.76	–	–
Outstanding at end of year	3,279,715	£5.02	3,184,995	£4.43
Exercisable at end of year	664	£11.11	8,829	£12.81
Associate Partner Plan				
Outstanding at start of year	2,834,683	£10.91	2,842,183	£10.91
Granted	–	–	–	–
Forfeited	(85,750)	£10.88	(7,500)	£10.83
Exercised	(107,100)	£10.94	–	–
Outstanding at end of year	2,641,833	£10.91	2,834,683	£10.91
Exercisable at end of year	2,641,833	£10.91	2,834,683	£10.91

The average share price during the year was 1,158.2 pence (2024: 639.4 pence).

The SAYE Plan options outstanding at 31 December 2025 had exercise prices of 1,111 pence (664 options), 988 pence (52,357 options), 405 pence (2,553,282 options), 578 pence (236,250 options) and 971 pence (437,162 options), and a weighted average remaining contractual life of 1.6 years.

The options outstanding under the Associate Partner Plan at 31 December 2025 had an exercise price of 1,083 pence (2,226,858 options) and 1,135 pence (414,975 options), and a weighted average remaining contractual life of nil years.

All share options under the below schemes have exercise prices of nil.

	Year ended 31 December 2025	Year ended 31 December 2024
	Number of shares	Number of shares
Executive Performance Share Plan		
Outstanding at start of year	8,284,244	6,660,214
Granted	1,697,851	3,394,380
Forfeited	(2,870,551)	(1,405,649)
Exercised	(914,873)	(364,701)
Outstanding at end of year	6,196,671	8,284,244
Exercisable at end of year	311,858	2,230,261
Buyout Awards – conditional		
Outstanding at start of year	149,372	–
Granted	138,293	149,372
Forfeited	–	–
Exercised	(19,091)	–
Outstanding at end of year	268,574	149,372
Exercisable at end of year	–	–
Buyout Awards – performance		
Outstanding at start of year	91,809	–
Granted	–	91,809
Forfeited	(6,486)	–
Exercised	–	–
Outstanding at end of year	85,323	91,809
Exercisable at end of year	–	–

Notes to the consolidated financial statements under International Financial Reporting Standards continued

24. Share-based payments continued

Share awards

All share awards under the below schemes have exercise prices of nil.

	Year ended 31 December 2025	Year ended 31 December 2024
	Number of shares	Number of shares
Share Incentive Plan		
Outstanding at start of year	53,024	38,707
Granted	8,478	19,385
Forfeited	(1,259)	–
Exercised	(19,945)	(5,068)
Outstanding at end of year	40,298	53,024
Exercisable at end of year	8,044	–
Executive Deferred Bonus Plan		
Outstanding at start of year	2,113,350	1,091,624
Granted	887,787	1,079,020
Forfeited	(520,305)	(57,294)
Exercised	–	–
Outstanding at end of year	2,480,832	2,113,350
Exercisable at end of year	–	–
Restricted Share Plan		
Outstanding at start of year	921,023	417,973
Granted	4,608	576,010
Forfeited	(199,154)	(72,960)
Exercised	–	–
Outstanding at end of year	726,477	921,023
Exercisable at end of year	–	–

Early exercise assumptions

An allowance has been made for the impact of early exercise once options have vested in the SAYE Plan, where all option holders are assumed to exercise half-way through the six-month exercise window.

Allowance for performance conditions

The Executive Performance Share Plan includes a market-based performance condition based on the Company's total shareholder return relative to an index of comparator companies. The impact of this performance condition has been modelled using Monte Carlo simulation techniques, which involve running many thousands of simulations of future share price movements for both the Company and the comparator index. For the purpose of these simulations it is assumed that the share price of the Company and the comparator index are 28% (2024: 32%) correlated and that the comparator index has volatilities ranging between 20% per annum and 70% per annum (2024: 20% per annum and 69% per annum).

The performance condition is based on the Company's performance relative to the comparator index over a three-year period commencing on 1 January each year. The fair-value calculations for the awards that were made in 2025 therefore include an allowance for the actual performance of the Company's share price relative to the index over the period between 1 January 2025 and the various award dates.

Charge to the consolidated statement of comprehensive income

The table below sets out the charge to the consolidated statement of comprehensive income in respect of the share-based payment awards:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Equity-settled share-based payment expense	19.2	11.2
Cash-settled share-based payment expense	1.0	0.2
Total share-based payment expense	20.2	11.4

Liabilities recognised in the statement of financial position

The liabilities recognised in the statement of financial position in respect of the cash-settled share-based payment awards, and National Insurance obligations arising from share-based payment awards, are as follows. These liabilities are included within other payables on the face of the statement of financial position.

	31 December 2025	31 December 2024
	£'Million	£'Million
Liability for cash-settled share-based payments	2.2	1.5
Liability for employer National Insurance contributions on cash-settled and equity-settled share-based payments	9.9	4.8

Notes to the consolidated financial statements under International Financial Reporting Standards continued

25. Interests in unconsolidated entities

Unconsolidated structured entities

The Group operates investment vehicles, such as unit trusts. Clients are able to invest in these directly, but also indirectly through products offered by St. James's Place UK plc and St. James's Place International plc. As a result, the Group's insurance companies can be significant investors in the unit trusts. Note 2 sets out the judgements inherent in determining when the Group controls, and therefore consolidates, the relevant investment vehicles.

The majority of the risk from a change in the value of the Group's investment in unconsolidated unit trusts is matched by a change in unit holder liabilities. The maximum exposure to loss, prior to considering unit holder liabilities, is equal to the carrying value of the investment. This is recognised within investments in Collective Investment Schemes.

The following unit trust is not consolidated within the Group financial statements; however, the Group does act as the fund manager of this unit trust.

	Percentage of ownership interest		Principal place of business	Nature of relationship	Measurement method	Net asset value as at 31 December	
	2025	2024				2025	2024
	%	%				£'Million	£'Million
St. James's Place Property Unit Trust	2.21	1.47	United Kingdom	Manager of unit trust	Fair value through profit or loss	165.7	586.8

As at 31 December 2025 the value of the Group's interests in St. James's Place Property Unit Trust was £3.7 million (2024: £8.6 million).

26. Interests in other entities

Principal subsidiaries

Investment Holding Companies	St. James's Place Wealth Management Group Limited ¹ St. James's Place DFM Holdings Limited ¹
Life Assurance	St. James's Place UK plc St. James's Place International plc (incorporated in Ireland) ² St. James's Place Unit Trust Group Limited
Unit Trust Management and ISA Management	St. James's Place Investment Administration Limited
Distribution	St. James's Place Wealth Management plc
Management Services	St. James's Place Management Services Limited ³
Treasury Company	St. James's Place Partnership Services Limited
Adviser Acquisitions	St. James's Place Acquisition Services Limited
AME Distribution	St. James's Place International Distribution Limited St. James's Place Investment Management Limited (formerly Rowan Dartington & Co. Limited)
Discretionary Fund Management	

¹ Directly held by St. James's Place plc.

² The Company also operates a branch in Singapore.

³ The Company also operates a branch in the Republic of Ireland.

Ongoing solvency requirements within the life assurance, unit trust and financial services companies of the Group restrict their ability to distribute all their distributable reserves.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

26. Interests in other entities continued

Included below is a full list of the entities within the St. James's Place plc Group at 31 December 2025:

Entity	Company number	Registered office	Country of incorporation	Principal activity	Audit exemption
Cabot Portfolio Nominees Limited	03636010	2610 The Quadrant, Aztec West, Almondsbury, Bristol, England, BS32 4AQ	England and Wales	Nominee company	Yes
Capstone Financial (HK) Limited	1256431	8F Kailey Tower, 16 Stanley Street Central, Hong Kong	Hong Kong	Financial advice	No
CGA Financial & Investment Services Limited	02666180	*	England and Wales	Financial advice	Yes
Dartington Portfolio Nominees Limited	01489542	2610 The Quadrant, Aztec West, Almondsbury, Bristol, England, BS32 4AQ	England and Wales	Nominee company	Yes
Edwards Wealth Ltd	09229694	*	England and Wales	Financial advice	Yes
Fortura Financial Partners Limited	14320641	*	England and Wales	Financial advice	Yes
Future Proof Limited	07608319	*	England and Wales	Financial advice	Yes
Ian Cockbain Wealth Management Limited	04639701	*	England and Wales	Financial advice	Yes
Lewington Wealth Management Limited	04290504	*	England and Wales	Financial advice	Yes
Linden House Financial Services Limited	02990295	*	England and Wales	Financial advice	Yes
Ludian Financial Planning Limited	16709363	*	England and Wales	Financial advice	No
M.H.S. (Holdings) Limited	00559995	*	England and Wales	Non-trading	Yes
Perennial Financial Management Limited	04609753	*	England and Wales	Financial advice	Yes
Policy Services Limited	SC230167	Oracle Campus, Blackness Road, Linlithgow, West Lothian, EH49 7BF, United Kingdom	Scotland	Financial advice	No
Reflect Financial Limited	04373946	*	England and Wales	Financial advice	Yes
St. James's Place Investment Management Limited (formerly Rowan Dartington & Co. Limited)	02752304	*	England and Wales	Stockbroker and investment manager	No
Rowan Dartington Holdings Limited	07470226	*	England and Wales	Holding company	Yes
SJP Legacy Holdings Ltd	SC492906	Oracle Campus, Blackness Road, Linlithgow, West Lothian, EH49 7BF, United Kingdom	Scotland	Holding company	Yes
SJP Partner Loans No. 1 Limited	11390901	10th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom	England and Wales	Securitisation	No
St. James's Place (Hong Kong) Limited	275275	1st Floor, Henley Building, 5 Queen's Road Central, Hong Kong	Hong Kong	Overseas distribution	No
St. James's Place (Middle East) Limited	6826	Gate District Precinct Building 03, Unit Precinct 3-7th Floor-Units 706, 707 & 708 Level 7, Dubai International Financial Centre, United Arab Emirates, PO Box 507256	United Arab Emirates	Overseas distribution	No
St. James's Place (PCP) Limited	02706684	*	England and Wales	Transaction and servicing of SJP income streams	Yes
St. James's Place (Singapore) Private Limited	200406398R	1 Raffles Place, #15-61 One Raffles Place, 048616, Singapore	Singapore	Financial advice	No

Notes to the consolidated financial statements under International Financial Reporting Standards continued

26. Interests in other entities continued

Entity	Company number	Registered office	Country of incorporation	Principal activity	Audit exemption
St. James's Place Acquisition Services Limited	07730835	*	England and Wales	Adviser acquisitions	Yes
St. James's Place Corporate Secretary Limited	09131866	*	England and Wales	Corporate secretary	Yes
St. James's Place DFM Holdings Limited	09687687	*	England and Wales	Holding company	Yes
St. James's Place International (Hong Kong) Limited	64458142	1st Floor, Henley Building, 5 Queen's Road Central, Hong Kong	Hong Kong	Life assurance	No
St. James's Place International Distribution Limited	08798683	*	England and Wales	Holding company	Yes
St. James's Place International plc	185345	Fleming Court, Flemings Place, Dublin 4, Ireland	Ireland	Life assurance	No
St. James's Place Investment Administration Limited	08764231	*	England and Wales	Unit trust administration and ISA manager	No
St. James's Place Management Services Limited	02661044	*	England and Wales	Management services	No
St. James's Place Nominees Limited	08764214	*	England and Wales	Nominee company	Yes
St. James's Place Partnership Services Limited	08201211	*	England and Wales	Treasury company	No
St. James's Place UK plc	02628062	*	England and Wales	Life assurance	No
St. James's Place Unit Trust Group Limited	00947644	*	England and Wales	Unit trust management	No
St. James's Place Wealth Management (Shanghai) Limited	1511517	1st Floor, Henley Building, 5 Queen's Road Central, Hong Kong	Hong Kong	Overseas distribution	No
St. James's Place Wealth Management Group Limited	02627518	*	England and Wales	Holding company	No
St. James's Place Wealth Management International Pte. Ltd	201323453N	1 Raffles Place, #15-61 One Raffles Place, 048616, Singapore	Singapore	Holding company	No
St. James's Place Wealth Management plc	04113955	*	England and Wales	UK distribution	No
Technical Connection Limited	03178474	*	England and Wales	Tax and advisory services	Yes
Tring Financial Management Limited	05487108	*	England and Wales	Policy administration	Yes
Virtue Money Limited	SC346827	Oracle Campus, Blackness Road, Linlithgow, West Lothian, EH49 7BF, United Kingdom	Scotland	Holding company	Yes

* Indicates that the registered office is St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, England, GL7 1FP.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

26. Interests in other entities continued

The Group incorporated Ludian Financial Planning Limited (16709363) on 10 September 2025, with its first accounts to be made up to 31 December 2026.

On 18 February 2026 Capstone Financial (HK) Limited (1256431) was dissolved.

Where indicated in the table, subsidiaries of St. James's Place plc have taken advantage, or are expected to take advantage, of the exemption from statutory audit granted by section 479A of the Companies Act 2006. In accordance with section 479C, St. James's Place plc has guaranteed all the outstanding liabilities as at 31 December 2025 of these companies.

All Group companies have an accounting reference date of 31 December. The tax residency of each subsidiary is the same as the country of incorporation.

100% of the equity share capital is held for the subsidiaries listed in the preceding table, with the exception of:

- ◆ SJP Partner Loans No. 1 Limited (11390901), where 100% of the equity share capital is held by a third-party entity outside the Group. Note that all assets and liabilities of SJP Partner Loans No.1 Limited are restricted and ring-fenced from the other assets and liabilities of the Group.
- ◆ Lewington Wealth Management Limited (04290504) where 25% of the equity share capital is held by a third-party entity outside the Group.

Following an assessment of control in accordance with IFRS 10 it was determined that SJP Partner Loans No. 1 Limited and Lewington Wealth Management Limited are controlled by the Group and thus consolidated.

In addition, the Group financial statements consolidate the following unit trusts, all of which are registered in England and Wales. The registered address of the unit trust manager, St. James's Place Unit Trust Group Limited, is St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP, United Kingdom.

St. James's Place Adventurous Growth Unit Trust
 St. James's Place Adventurous International Growth Unit Trust
 St. James's Place Asia Pacific Unit Trust
 St. James's Place Balance InRetirement Unit Trust
 St. James's Place Balanced Growth Unit Trust
 St. James's Place Balanced International Growth Unit Trust
 St. James's Place Balanced Managed Unit Trust
 St. James's Place Conservative Growth Unit Trust
 St. James's Place Conservative International Growth Unit Trust
 St. James's Place Continental European Unit Trust
 St. James's Place Corporate Bond Unit Trust
 St. James's Place Diversified Assets (FAIF) Unit Trust
 St. James's Place Diversified Bond Unit Trust
 St. James's Place Emerging Markets Equity Unit Trust
 St. James's Place Global Absolute Return Unit Trust

St. James's Place Global Emerging Markets Unit Trust
 St. James's Place Global Equity Unit Trust
 St. James's Place Global Government Bond Unit Trust
 St. James's Place Global Government Inflation Linked Bond Unit Trust
 St. James's Place Global Growth Unit Trust
 St. James's Place Global High Yield Bond Unit Trust
 St. James's Place Global Quality Unit Trust
 St. James's Place Global Smaller Companies Unit Trust
 St. James's Place Global Unit Trust
 St. James's Place Global Value Unit Trust
 St. James's Place Greater European Progressive Unit Trust
 St. James's Place Growth InRetirement Unit Trust
 St. James's Place International Equity Unit Trust
 St. James's Place Investment Grade Corporate Bond Unit Trust
 St. James's Place Japan Unit Trust
 St. James's Place Managed Growth Unit Trust
 St. James's Place Money Market Unit Trust
 St. James's Place North American Unit Trust
 St. James's Place Polaris 1 Unit Trust
 St. James's Place Polaris 2 Unit Trust
 St. James's Place Polaris 3 Unit Trust
 St. James's Place Polaris 4 Unit Trust
 St. James's Place Polaris Multi-Index 1 Unit Trust
 St. James's Place Polaris Multi-Index 2 Unit Trust
 St. James's Place Polaris Multi-Index 3 Unit Trust
 St. James's Place Polaris Multi-Index 4 Unit Trust
 St. James's Place Prudence InRetirement Unit Trust
 St. James's Place Strategic Income Unit Trust
 St. James's Place Strategic Managed Unit Trust
 St. James's Place Sustainable & Responsible Equity Unit Trust
 St. James's Place UK Equity Income Unit Trust
 St. James's Place UK Unit Trust
 St. James's Place Worldwide Income Unit Trust

Individually immaterial associates

The Group also has interests in individually immaterial associates that are accounted for using the equity method.

	31 December 2025	31 December 2024
	£'Million	£'Million
Aggregate carrying value of individually immaterial associates	24.0	21.9
Aggregate amounts of the Group's share of total comprehensive income	0.5	0.3

Notes to the consolidated financial statements under International Financial Reporting Standards continued

27. Related-party transactions

Transactions with associates and non-wholly-owned subsidiaries

Associates

Outstanding at the year-end were business loans of £11.0 million (2024: £11.9 million) to associates of the Group. During the year £nil (2024: £8.9 million) was advanced and £1.8 million (2024: £4.3 million) was repaid. Business loans to associates are interest-bearing (linked to the Bank of England base rate plus a margin) and repayable in line with the terms of the loan contract. Interest of £0.9 million was received during 2025 (2024: £0.6 million).

In addition, commission, advice fees and other payments of £12.3 million were paid (2024: £10.0 million paid), under normal commercial terms, to associates of the Group. The outstanding amount at 31 December 2025 was £1.0 million payable (2024: £0.7 million payable).

Non-wholly owned subsidiaries

Commission, advice fees and other payments of £4.6 million were paid (2024: £4.3 million paid), under normal commercial terms, to non-wholly-owned Group companies. The outstanding amount at 31 December 2025 was £0.4 million payable (2024: £0.5 million payable).

Transactions with key management personnel

Key management personnel have been defined as the Board of Directors and members of the Group Executive Committee. The remuneration paid to the Board of Directors of St. James's Place plc is set out in the Directors' remuneration report, in addition to the disclosure in this note.

The Directors' remuneration report also sets out transactions with the Directors under the Group's share-based payment schemes, together with details of the Directors' interests in the share capital of the Company.

Compensation of key management personnel is as follows:

	Year ended 31 December 2025	Year ended 31 December 2024
	£'Million	£'Million
Short-term employee benefits	12.9	10.2
Post-employment benefits	0.5	0.6
Share-based payments	6.3	(0.7)
Total	19.7	10.1

The total value of Group FUM held by related parties of the Group as at 31 December 2025 was £17.7 million (2024: £25.2 million). The total value of St. James's Place plc dividends paid to related parties of the Group during the year was £0.1 million (2024: £0.2 million).

Commission, advice fees and other payments of £nil (2024: £1.3 million) were paid, under normal commercial terms, to St. James's Place advisers who were related parties by virtue of being connected persons with key management personnel. The outstanding amount payable at 31 December 2025 was £nil (2024: £0.1 million).

Parent Company financial statements

In this section

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Parent Company statement of financial position

Registered number: 03183415.

	Note	As at	As at
		31 December 2025	31 December 2024
		£'Million	£'Million
Investment in subsidiaries	3	2,211.0	2,102.4
Current assets			
Amounts owed by Group undertakings	7	728.2	274.8
Corporation tax assets		–	0.1
Other receivables		0.1	0.1
Cash and cash equivalents		0.9	–
Current liabilities			
Corporation tax liabilities		(4.8)	–
Other payables		(0.4)	–
Net current assets		724.0	275.0
Amounts due to Group undertakings	7	(213.9)	(201.3)
Net assets		2,721.1	2,176.1
Equity			
Share capital	4	79.1	81.6
Share premium		235.4	233.9
Capital redemption reserve	4	3.2	0.7
Share option reserve		309.9	290.7
Miscellaneous reserves		0.1	0.1
Retained earnings		2,093.4	1,569.1
Total shareholders' funds		2,721.1	2,176.1

In publishing the Parent Company financial statements, the Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual income statement and related notes that form part of these Parent Company financial statements. The Company is not required to present a statement of comprehensive income. The Company's profit after tax for the financial year was £809.8 million (2024: £559.6 million) which can be seen in the statement of changes in equity.

The Parent Company financial statements on pages 194 to 199 were approved by the Board of Directors on 24 February 2026 and signed on its behalf by:

Mark FitzPatrick
Chief Executive Officer

The Notes and information on pages 196 to 199 form part of these Parent Company financial statements.

Parent Company statement of changes in equity

		Share capital	Share premium	Capital redemption reserve	Share option reserve	Miscellaneous reserves	Retained earnings	Total shareholders' funds
	Note	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
At 1 January 2024		82.3	233.9	–	279.5	0.1	1,119.2	1,715.0
Profit and total comprehensive income for the year		–	–	–	–	–	559.6	559.6
Dividends	6	–	–	–	–	–	(76.6)	(76.6)
Shares repurchased in buy-back programmes	4	(0.7)	–	0.7	–	–	(33.1)	(33.1)
Cost of share options expensed in subsidiaries		–	–	–	11.2	–	–	11.2
At 31 December 2024		81.6	233.9	0.7	290.7	0.1	1,569.1	2,176.1
Profit and total comprehensive income for the year		–	–	–	–	–	809.8	809.8
Dividends	6	–	–	–	–	–	(96.3)	(96.3)
Issue of share capital	4	–	1.5	–	–	–	–	1.5
Shares repurchased in buy-back programmes	4	(2.5)	–	2.5	–	–	(189.2)	(189.2)
Cost of share options expensed in subsidiaries		–	–	–	19.2	–	–	19.2
At 31 December 2025		79.1	235.4	3.2	309.9	0.1	2,093.4	2,721.1

The Notes and information on pages 196 to 199 form part of these Parent Company financial statements.

Notes to the Parent Company financial statements

1. Accounting policies

Basis of preparation

St. James's Place plc (the Company) is a public company limited by shares which is incorporated and registered in England and Wales, domiciled in the United Kingdom and whose shares are publicly traded. The Company offers a range of insurance, investment and other wealth management services through its subsidiaries, which are incorporated in the UK, Ireland, Middle East and Asia.

The financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with Financial Reporting Standard 101 (FRS 101) Reduced Disclosure Framework and the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of these financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. No significant accounting judgements have been made.

Adoption of new and amended accounting standards

As at 31 December 2025, there were no relevant new and amended standards, which the Company adopted as of 1 January 2025.

FRS 101 – reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- ◆ the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment
- ◆ the requirements of IFRS 7 Financial Instruments: Disclosures
- ◆ the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement
- ◆ the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- ◆ the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- ◆ the requirements of paragraphs 1 to 44E, 44H(b)(ii) and 45 to 65 of IAS 7 Statement of Cash Flows
- ◆ the requirements of paragraphs 44F, 44G, 44H(a), 44H(b)(i), 44H(b)(iii) and 44H(c) of IAS 7 Statement of Cash Flows, provided that equivalent disclosures are included in the consolidated financial statements of the Group, in which the entity is consolidated.
- ◆ the requirements of paragraphs 6B, 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- ◆ the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- ◆ the requirements in IAS 24 Related Party Disclosures to disclose related-party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- ◆ the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the Group, in which the entity is consolidated.

Going concern

The Company is a non-trading investment holding company which has positive net assets. Going concern has been evaluated by the Directors of the Company. As part of this the Directors have reviewed and take comfort from the Group's assessment of going concern as set out in Note 1 to the consolidated financial statements. The Board believes the Company will continue to be in business, with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations, for a period of at least 12 months from the date of approval of the company financial statements. As a result, the Company continues to adopt the going concern basis in preparing these financial statements.

Significant accounting policies

The following principal accounting policies have been applied consistently to all the years presented.

(a) Investment return

Investment return comprises dividends from subsidiaries. Interim dividends are accounted for when received. Final dividends are accounted for when the dividend has been declared and approved by the subsidiary.

(b) Taxation

Taxation is based on profits and income for the year as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior years.

(c) Investment in subsidiaries

Investments in subsidiaries are carried at cost stated after any impairment losses, plus the cost of equity-settled share awards granted by the Company of its own shares.

(d) Financial instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies its financial assets at amortised cost.

At amortised cost

Financial assets held at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The most significant category of financial assets held at amortised cost for the Company is amounts owed by Group undertakings. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Financial assets held at amortised cost are impaired using an expected credit loss model. Expected credit losses are based on the historic levels of loss experienced for the relevant financial assets, with due consideration given to forward looking information.

Notes to the Parent Company financial statements continued

1. Accounting policies continued

Financial liabilities

The Company classifies all of its financial liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expensed over the period to repayment is at a constant rate on the balance of the liability carried into the statement of financial position.

2. Income from shares in Group undertakings

Dividend income received during the year was £900.0 million (2024: £560.0 million).

3. Investment in subsidiaries

	Investment in subsidiaries
	£'Million
Cost or valuation	
At 1 January 2024	1,576.2
Additions	526.2
At 31 December 2024	2,102.4
Additions	213.1
At 31 December 2025	2,315.5
Impairment	
At 1 January 2024	–
Charge for the year	–
At 31 December 2024	–
Charge for the year	104.5
At 31 December 2025	104.5
Carrying value	
At 31 December 2024	2,102.4
At 31 December 2025	2,211.0

During the year the Group completed a reorganisation of the Group structure, resulting in the Company now directly holding nine subsidiaries, seven of which were previously indirectly held through a subsidiary company, St. James's Place Wealth Management Group Limited (SJPWMG).

In lieu of FRS 101 providing specific guidance on the accounting of the reorganisation of a Group structure, the Company has considered the most recent pronouncements of other relevant standard-setting bodies. The Company considers the principles set out within FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' to be the most relevant to the Company and applied the merger accounting method to the relevant transactions. In line with the principles of merger accounting, the reorganisation transactions had nil impact to the statement of comprehensive income.

The carrying value of the investment in subsidiaries is reviewed at least annually for impairment, or when circumstances or events indicate there may be uncertainty over its value. The investments are supported by the value in use of the subsidiaries. The key assumptions used are the value of in-force business together with a discount rate of 7.8% (2024: 7.8%).

It is considered that any reasonably possible levels of change in the key assumptions would not result in an impairment.

4. Share capital

	Number of ordinary shares	Called-up share capital
		£'Million
At 1 January 2024	548,604,794	82.3
– Shares repurchased in buy-back programmes	(4,590,083)	(0.7)
At 31 December 2024	544,014,711	81.6
– Issue of shares	136,975	–
– Shares repurchased in buy-back programmes	(17,039,551)	(2.5)
At 31 December 2025	527,112,135	79.1

Notes to the Parent Company financial statements continued

4. Share capital continued

Ordinary shares have a par value of 15 pence per share (2024: 15 pence per share) and are fully paid. The Company received consideration of £1.5 million (2024: £nil) for the shares issued during the year, including those issued to satisfy the exercise of options.

During the year, the Company repurchased and cancelled 17,039,551 shares (2024: 4,590,083) for a total consideration of £188.1 million (2024: £32.9 million) and incurred transaction costs of £1.1 million (2024: £0.2 million). The cancelled shares, which had a nominal value of £2.5 million (2024: £0.7 million), have been reflected as a decrease in share capital and a corresponding increase in the capital redemption reserve as required by the Companies Act 2006.

5. Auditors' remuneration

The total audit fee in respect of the Group is set out in Note 5 to the consolidated financial statements. The audit fee charged to the Company for the year ended 31 December 2025 is £34,649 (2024: £33,316), which is borne by another entity within the Group.

6. Dividends

The following dividends have been paid by the Company:

	Year ended 31 December 2025	Year ended 31 December 2024	Year ended 31 December 2025	Year ended 31 December 2024
	Pence per share	Pence per share	£'Million	£'Million
Final dividend in respect of 2023		8.00		43.8
Interim dividend in respect of 2024		6.00		32.8
Final dividend in respect of 2024	12.00	–	64.4	–
Interim dividend in respect of 2025	6.00	–	31.9	–
Total dividends	18.00	14.00	96.3	76.6

In respect of 2025 the Directors have recommended a 2025 final dividend of 12.00 pence per share. This amounts to £63.3 million based on the number of shares in issue on 31 December 2025 and will, subject to shareholder approval at the Annual General Meeting, be paid on 8 May 2026 to those shareholders on the register as at 27 March 2026.

In addition, under the authority granted by shareholders at the 2025 Annual General Meeting, the Directors have resolved to undertake:

- ♦ a final share buy-back programme in respect to 2025, committing to purchase shares up to a maximum value of £103.9 million.
- ♦ an additional share buy-back programme to return capital to shareholders following a release of the Ongoing Service Evidence provision, committing to purchase shares up to a maximum value of £18.7 million.

These share buy-backs will commence in March 2026.

7. Related-party transactions and balances

At the year-end the following related-party balances existed, in addition to the investments in subsidiaries which are set out in Note 3.

	31 December 2025	31 December 2024
	£'Million	£'Million
Amounts owed by Group undertakings		
St. James's Place Partnership Services Limited	728.2	274.8
Total	728.2	274.8

The amounts owed by Group undertakings are loans granted by the Company which are unsecured and repayable on demand. The loans incur interest at an agreed rate above the Bank of England's base rate, as stated in the loan agreements.

Amounts owed by Group undertakings continue to be classified as performing; see accounting policy (d).

	31 December 2025	31 December 2024
	£'Million	£'Million
Amounts due to Group undertakings		
St. James's Place UK plc	(213.9)	(201.3)
Total	(213.9)	(201.3)

Amounts due to Group undertakings are unsecured with a variable interest rate and repayable after ten years.

During the year, the Company received £900.0 million (2024: £560.0 million) of dividends from subsidiary undertakings. The total value of St. James's Place funds under management (FUM) held by related parties of the Company as at 31 December 2025 was £17.7 million (2024: £25.2 million). The total value of dividends paid to related parties of the Company during the year was £0.1 million (2024: £0.2 million).

The following wholly-owned subsidiaries of St. James's Place plc have taken advantage, or are expected to take advantage, of the exemption from statutory audit granted by section 479A of the Companies Act 2006.

Notes to the Parent Company financial statements continued

7. Related-party transactions and balances continued

In accordance with section 479C, St. James's Place plc has therefore guaranteed all the outstanding liabilities as at 31 December 2025 of:

Cabot Portfolio Nominees Limited	03636010
CGA Financial & Investment Services Limited	02666180
Dartington Portfolio Nominees Limited	01489542
Edwards Wealth Ltd	09229694
Fortura Financial Partners Limited	14320641
Future Proof Limited	07608319
Ian Cockbain Wealth Management Limited	04639701
Lewington Wealth Management Limited	04290504
Linden House Financial Services Limited	02990295
M.H.S. (Holdings) Limited	00559995
Perennial Financial Management Limited	04609753
Reflect Financial Limited	04373946
Rowan Dartington Holdings Limited	07470226
SJP Legacy Holdings Ltd	SC492906
St. James's Place (PCP) Limited	02706684
St. James's Place Acquisition Services Limited	07730835
St. James's Place Corporate Secretary Limited	09131866
St. James's Place DFM Holdings Limited	09687687
St. James's Place International Distribution Limited	08798683
St. James's Place Nominees Limited	08764214
Technical Connection Limited	03178474
Tring Financial Management Limited	05487108
Virtue Money Limited	SC346827

8. Directors' emoluments

The Directors' responsibilities relate primarily to the trading companies of the Group and accordingly their costs are charged to those companies and none are met by the Parent Company. Disclosure of the Directors' emoluments is made within the Directors' remuneration report.

9. Company information

In the opinion of the Directors there is not considered to be any ultimate controlling party. Copies of the consolidated financial statements of St. James's Place plc may be obtained from the Company Secretary, St. James's Place plc, St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire GL7 1FP, United Kingdom.