

**St. James's Place UK plc**

Annual Report and Financial Statements

For the year ended 31 December 2024

Registered number 02628062

## **Company information**

### **Directors**

S W D Fraser\*

R Hilary\*

J C F Hitchins\*

I D MacKenzie

A O'Riordan\*

C F B Woodd

\* Non-executive Director

### **Company secretary**

St. James's Place Corporate Secretary Limited

### **Registered number**

02628062

### **Registered office**

St. James's Place House

1 Tetbury Road

Cirencester

Gloucestershire

GL7 1FP

### **Independent auditors**

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

2 Glass Wharf

Temple Quay

Bristol

BS2 0FR

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## Strategic Report

### for the year ended 31 December 2024

St. James's Place UK plc (the "Company") is a wholly-owned subsidiary of St. James's Place Wealth Management Group Limited, which in turn is a wholly-owned subsidiary of St. James's Place plc ("SJP plc"), the ultimate parent company of the St. James's Place Group (the "Group" or "St. James's Place (SJP)").

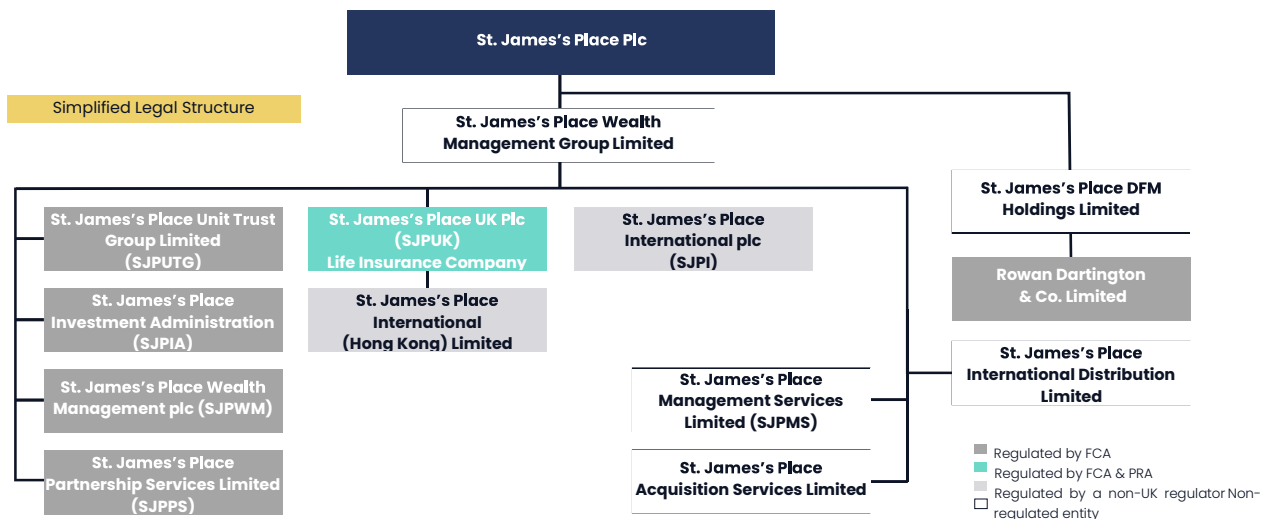
The Company is authorised and regulated by the Prudential Regulation Authority ("PRA") and Financial Conduct Authority ("FCA") to transact long-term insurance business in the United Kingdom.

The Company is a public company limited by shares which is incorporated and registered in England and Wales and domiciled in the United Kingdom.

The Company manufactures and administers insurance-based investment bond and pension products that are made available through the St. James's Place Partnership.

### Group overview

St. James's Place is an award-winning wealth management group with a track record of strong growth. An extract of the group structure is shown below.



Face-to-face advice is core to St. James's Place Group's business model. This is delivered through the Group's dedicated distribution firm, St. James's Place Wealth Management plc, which manages the St. James's Place Partnership, and which is focused on building and supporting long-term relationships with its clients.

Financial advice is complemented and supported by the Group's compelling investment proposition (the Investment Management Approach – "IMA"). The IMA offers a unique approach, enabling investment management of underlying assets to be contracted out to a range of investment management firms, carefully selected by our internal experts from the global population of fund managers.

## Strategic Report (continued)

### Group overview (continued)

In order to be able to provide the appropriate investment solution for each client's particular circumstances and needs, the IMA is made available through a variety of UK investment product solutions. The principal products manufactured by Group companies, and which are, in general, made available through the St. James's Place Partnership, are:

Company	Product
St. James's Place UK plc	UK-based unit-linked savings
	Unit-linked pension savings
	Unit-linked drawdown
St. James's Place Investment Administration Limited	Unit trusts
	Individual Savings Accounts ("ISAs")
St. James's Place International plc	Offshore unit-linked savings

In order to allow the IMA to be delivered consistently through all product wrappers, the majority of the unit-linked insurance investment ranges are facilitated through cross-investment into a core range of St. James's Place unit trusts (managed by St. James's Place Unit Trust Group Limited), which are the same unit trusts made available directly and through an ISA by St. James's Place Investment Administration Limited.

St. James's Place Management Services Limited facilitates employment for the Group and management of expenses, while St. James's Place Partnership Services Limited acts as a treasury company for the Group, securing funding and managing lending by the Group.

Further information about St. James's Place, the St. James's Place Partnership, the St. James's Place approach to fund management and the IMA, and the full range of wealth management products, is included within the Strategic Report of the St. James's Place plc Annual Report and Accounts 2024.

### Business review

The Company's financial business model is straightforward: to attract and then retain funds under management ("FUM") on which an annual management fee is received. This is the principal source of income for the Company, out of which the overheads of the business are met and investment is made in acquiring new FUM. As the level of annual management fee income received is dependent on the value of FUM, growth in FUM is a strong positive indicator of future growth in profits.

## Strategic Report (continued)

### Business review (continued)

#### FUM

The Company has continued to experience positive gross and net inflows over the year, albeit net flows are moderated in relation to the prior year. Our investment management approach (IMA) continues to perform well for clients, with our portfolios delivering strong returns. This, combined with net inflows, has driven FUM to a record £128.0 billion, 15% higher compared to the end of the prior year.

Analysis of the development of the funds under management is provided in the following tables:

<b>Year Ended 31 December 2024</b>	<b>Investment</b>	<b>Pension</b>	<b>Total</b>
	<b>£'Million</b>	<b>£'Million</b>	<b>£'Million</b>
Opening funds under management	24,405.5	87,324.6	111,730.1
Gross inflows	1,306.6	12,058.8	13,365.4
Net investment return	2,081.6	10,024.1	12,105.7
Regular income withdrawals and maturities	(174.7)	(3,916.9)	(4,091.6)
Surrenders and part surrenders	(1,566.0)	(3,511.1)	(5,077.1)
<b>Closing funds under management</b>	<b>26,053.0</b>	<b>101,979.5</b>	<b>128,032.5</b>
<b>Net (outflows)/inflows</b>	<b>(434.1)</b>	<b>4,630.8</b>	<b>4,196.7</b>
<b>Implied surrender rate as a percentage of average funds under management</b>	<b>6.2%</b>	<b>3.7%</b>	<b>4.2%</b>

<b>Year Ended 31 December 2023</b>	<b>Investment</b>	<b>Pension</b>	<b>Total</b>
	<b>£'Million</b>	<b>£'Million</b>	<b>£'Million</b>
Opening funds under management	22,997.8	73,855.4	96,853.2
Gross inflows	1,161.5	9,771.0	10,932.5
Net investment return	1,869.1	8,232.8	10,101.9
Regular income withdrawals and maturities	(167.7)	(2,407.8)	(2,575.5)
Surrenders and part surrenders	(1,455.2)	(2,126.8)	(3,582.0)
<b>Closing funds under management</b>	<b>24,405.5</b>	<b>87,324.6</b>	<b>111,730.1</b>
<b>Net (outflows)/inflows</b>	<b>(461.4)</b>	<b>5,236.4</b>	<b>4,775.0</b>
<b>Implied surrender rate as a percentage of average funds under management</b>	<b>6.1%</b>	<b>2.6%</b>	<b>3.4%</b>

## Strategic Report (continued)

### Business review (continued)

#### IFRS profit after tax

The Company's principal source of income, out of which overheads of the business are met, is an annual management charge (AMC) which is dependent on the value of funds under management (FUM). Average FUM over the twelve-months to 31 December 2024 were higher than during 2023, largely due to positive market movements, leading to increased underlying revenue generation. This, together with the success of the business in managing controllable expenses, drives the year-on-year improvement in profit after tax, which amounted to £350.2 million for the year (2023: £258.1 million).

In both the current and prior year, profit has been impacted by a nuance of life insurance tax, which we refer to as the policyholder tax asymmetry. Under normal market conditions, this asymmetry is small, but market volatility can result in significant balances. Market gains in the year to 31 December 2024 have resulted in a negative policyholder tax asymmetry of £38.9 million, compared to a negative impact of £44.4 million in the year to 31 December 2023. Further detail is set out in Note 3 Fee and commission income.

The Company's financial resource position remains strong with net assets of £464.1m (2023: £373.9m) being well above regulatory requirements.

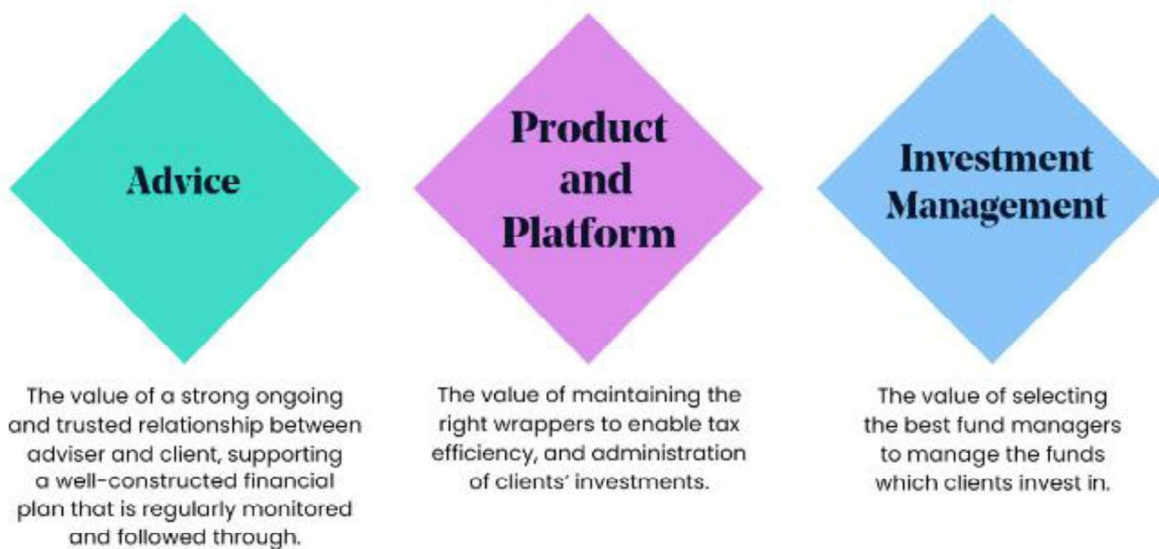
## Strategic Report (continued)

### Business review (continued)

#### Future developments

The Group is the UK's leading provider of advice-led wealth management, providing an integrated end-to-end client offering, with each subsidiary company contributing a component to this overall service.

SJP has announced planned changes to introduce simple, comparable charging across the Group, including the disaggregation of charges into separate components for advice, product and platform administration and investment management, as well as rebalancing charges so that they better reflect the value that clients see across each element of the Group proposition. These changes will address the evolution over time of an external environment that is increasingly seeking simple comparability of all services on a component-by-component basis.



The Company provides the product and platform element of the Group's service for UK insurance wrappers covering investment bonds and pensions and, following the planned implementation of the revised charging structure in the second half of 2025, will retain those components of the revised charging structure that relate to this activity, along with the associated costs. The revised charging structure will remove initial product charges and reduce the ongoing product charge, so is anticipated to result in a reduction in the profitability of the Company. The Company's solvency position will remain robust.

## **Strategic Report (continued)**

### **Business review (continued)**

#### **Current risk environment**

Although new challenges have arisen during the year, the key risks were familiar to our risk framework and the Company's business model has demonstrated resilience to macroeconomic factors through 2024. Overall, we remain confident in the Company's ability to withstand further challenges that may or may not emerge from the risk environment described in more detail below and in the St. James's Place plc Annual Report and Accounts 2024.

#### **Operational**

SJP prioritises the important changes to its costs and charges for clients, which come into force in the second half of 2025. This is the start of an important period of communication and engagement with clients to ensure that they understand how their charges will change. Recognising the risks inherent in a project of this scale, oversight and change management practices aligned with the level of change are maintained within a robust governance framework.

#### **Macroeconomic**

Inflation has reduced in 2024 from the high levels seen in recent years, although following the Autumn Budget it is expected to remain above the UK Government's target of 2% over the next few years, which could further impact on the cost of living and put pressure on expenses. The Autumn Budget made a variety of changes to taxation with the overall aim to raise tax revenue. The impact of the tax changes on clients could result in reduced capacity or desire to save into certain products. SJP's advisers, through ongoing financial advice and a broad product/ investment range, can support clients in managing their financial affairs; to combat the effects of inflation on the standard of living they are aiming for in retirement; and to remain tax-efficient in their savings as the tax landscape changes. There remains potential for global geopolitical tensions to escalate, which could have relevance to the Group through impacts on financial markets and through heightened cyber risk.

#### **Regulatory**

SJP actively engages with the regulators and makes improvements to meet evolving and higher industry standards and expectations for financial advisers and investment intermediaries to help reduce and prevent the risks of serious harm to clients. Regulatory change is a constant and, amongst the significant regulatory changes, the FCA reinforces the need for firms to embed the Consumer Duty regulation. Accordingly, it is a priority to embed the Duty and to improve activity to monitor and assess clients' outcomes.

## Strategic Report (continued)

### Business review (continued)

#### Property Fund Closure

In line with industry peers managing property funds, SJP announced the decision to remove the Property Life and Pension fund options, due to low investor sentiment towards property and market-wide challenges experienced by property funds. We have been deferring redemptions from the fund (including switch activity) and we are now facilitating clients to redirect their investments to other funds.

#### Climate change

Global temperatures continued to reach unprecedented levels in 2024. Scientific research confirms that progress toward limiting warming to 1.5°C remains too slow, underscoring the need for decisive action.

We recognise our responsibility to take meaningful action and our opportunity to influence others in our community to do the same. We remain committed to better integrating climate considerations across our risk management, decision-making and investment strategies. SJP also reaffirms its Group net zero by 2050 goal, which includes the emissions of the Company.

Our investment proposition is by far the largest contributor to our carbon emissions. Therefore, we're committed to our investments becoming net zero by 2050. As we work towards this long-term target, we set interim targets to track our progress and hold ourselves accountable. In 2020, we set a target of a 25% reduction in the carbon intensity of the portfolio by 2025 (compared to a baseline measured at the end of 2019). We are pleased to say that as at the end of 2024 we've exceeded this target.

We've continued to embed environmental, social and governance (ESG) factors into our investment process. For example, climate change is a key environmental risk that also presents multiple opportunities. We expect our fund managers to analyse how the companies they consider investing in are positioned for a just transition to a lower carbon economy. Our stewardship efforts encompass ongoing oversight of our managers' investment processes, including their voting and engagement programs. We see the latter as a potential source of return enhancement and will be deepening our oversight efforts of this area in 2025. We will also be setting our next interim net zero target and developing more in-depth sustainability reporting.

Our Group 2024 Climate Report can be found on the Group's website and outlines our broader approach to climate change including our emissions, targets, climate-related governance, risks and opportunities (<https://www.sjp.co.uk/ClimateReport2024>).

## Strategic Report (continued)

### Business review (continued)

#### Our approach to Task Force on Climate-related Financial Disclosures ('TCFD') reporting

TCFD seeks to improve the reporting of climate-related financial information by financial institutions. To comply with the FCA rules on climate-related disclosures in the ESG handbook - ESG 2.2.7R, the Company is required to prepare a TCFD report annually. We have chosen to meet this obligation through the inclusion of the following statement within this Strategic Report:

The Company has aligned its strategy and operations to that of the St James's Place Group. The Group is also required to prepare a TCFD report, which covers all of the operations, investments and assets that it is responsible for. Therefore, reflecting the significant overlap, we have chosen to prepare a single consolidated Group Climate Report which includes TCFD disclosures for all the required entities.

The disclosures in that report, including any third party or Group disclosures cross-referenced in it, comply with the requirements stated in the FCA Handbook. Where there are any differences in approach across the companies impacted, these are detailed in that report. However, we have summarised how the Company complies with its individual TCFD requirements in the table below, and signposted to the relevant pages within the 2024 Climate Report for more detailed disclosures.

The 2024 Climate Report is consistent with all the TCFD recommended disclosures, including the Supplemental Guidance for the Financial Sector, and can be found on the Group's website (<https://www.sjp.co.uk/ClimateReport2024>).

TCFD Pillar	TCFD recommendation	Summary of our disclosure	Full disclosure – 2024 Climate Report page reference
Governance	<p>a) Describe the Board's oversight of climate-related risks and opportunities.</p> <p>b) Describe management's role in assessing and managing against our climate-related risks and opportunities.</p>	<p>The Company Board is fully aligned with the climate approach set by the Group Board. The Company Board's focus remains on responsible investing, with the investment universe being the area where SJP has the greatest climate-related impact. On an annual basis the Company's Executive Committee reviews the Climate Report which sets out our key climate-related commitments, and recommends approval to the Board. In 2024, the Company Board received a comprehensive update on climate transition planning.</p>	<p>The role of the Board and management is described further on pages 8 to 11 of our 2024 Climate Report.</p>

## Strategic Report (continued)

### Business review (continued)

#### Our approach to Task Force on Climate-related Financial Disclosures ('TCFD') reporting (continued)

<p>Strategy</p>	<p>a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.</p> <p>b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.</p> <p>c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a +2°C or lower scenario.</p>	<p>Climate change was assessed as a cross-cutting risk that amplifies the following principal risks to the business:</p> <ul style="list-style-type: none"> <li>• Market risk, as investment valuations may decrease due to physical or transition risks;</li> <li>• Reputation risk, as greenwashing (or the perception of it) may harm client sentiment towards the business and reduce our ability to attract and retain clients;</li> <li>• Regulatory/legal risk, as compliance with increasing climate-related regulations may carry a high implementation cost.</li> </ul> <p>We also conducted climate scenario analysis focused on estimating the climate risk-adjusted value of our investment universe, the most material part of our business. This captures the Company's investments and showed that, once mitigations are considered, the Group remains resilient in all scenarios tested.</p>	<p>Climate-related risks and opportunities, including Company-specific impacts, are outlined in greater detail on pages 12 to 31 of our 2024 Climate Report. The section also describes how the Company's actions contribute to business resilience.</p>
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## Strategic Report (continued)

### Business review (continued)

#### Our approach to Task Force on Climate-related Financial Disclosures ('TCFD') reporting (continued)

<p>Risk Management</p>	<p>a) Describe the organisation's processes for identifying and assessing climate-related risks.</p> <p>b) Describe the organisation's processes for managing climate-related risks.</p> <p>c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.</p>	<p>This year, our climate-related risk process was fully aligned with the Group risk framework, scoring methodologies and policies. These processes apply across all entities, including the Company. A Double Materiality Assessment (DMA) was conducted in 2024 to identify our most material climate-related risks. These were then assessed, scored and challenged by key subject matter experts across the business in a cross-functional workshop to ensure the identified risks remained appropriate and are effectively managed.</p>	<p>Further information on our Group-wide risk identification policies and processes, which also integrate and capture climate and Company-specific risks, is available in pages 32 -36 of our 2024 Climate Report.</p>
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## Strategic Report (continued)

### Business review (continued)

#### Our approach to Task Force on Climate-related Financial Disclosures ('TCFD') reporting (continued)

<p>Metrics and Targets</p>	<p>a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.</p> <p>b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 to carbon-intensive companies. greenhouse gas (GHG) emissions, and the related risks.</p> <p>c) Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets.</p>	<p>We use a variety of metrics to help track our key climate-related risks, opportunities and targets, as disclosed in our 2024 Climate Report. This includes tracking the and disclosing the Scope 1, Scope 2 and Scope 3 GHG emissions from the Group, which captures all emissions from the Company's operational activities and investments. These key performance indicators of emissions help us track climate-related reputation risk by ensuring we meet our public commitments in relation to our carbon footprint.</p>	<p>Pages 37 – 45 of our 2024 Climate Report outline the full list of key performance indicators and metrics used to track our climate-related risks, opportunities and targets. It describes what each metric tracks and the data involved in their calculation. It also includes our full GHG emissions disclosure, which covers the Company's emissions.</p>
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## Strategic Report (continued)

### Business review (continued)

#### Principal risks and uncertainties

Whilst the risk landscape evolved over the course of the year, the inherent principal risk areas that the business faces remain largely consistent with the previous year and are set out in the tables on the following pages, together with further information on the key risk components, and examples of material controls and processes through which these are aimed to be mitigated. Reputational damage and impacts to clients, the firm, or other stakeholders and the environment are a likely consequence of any of the principal risks materialising.

The principal risks and uncertainties facing the Company are set out below:

#### RISKS

<b>Risk</b>	<b>Key risks</b>	<b>Controls/Mitigation</b>
Client proposition	<ul style="list-style-type: none"> <li>Range of solutions does not align with the product and service requirements of current and potential future clients.</li> </ul>	<ul style="list-style-type: none"> <li>Continuous review and development of the range of services offered to clients.</li> </ul>
Conduct	<ul style="list-style-type: none"> <li>Increasing complaint volumes.</li> </ul>	<ul style="list-style-type: none"> <li>Client complaint handling process and reporting.</li> </ul>
Financial	<ul style="list-style-type: none"> <li>Failure to meet client liabilities</li> <li>Investment/market risk</li> <li>Liquidity risk</li> <li>Solvency/capital risk</li> <li>Expense risk</li> <li>Finance operations and Financial reporting risk</li> </ul>	<ul style="list-style-type: none"> <li>Policyholder liabilities are fully matched</li> <li>Excess assets appropriately invested in high-quality, high-liquidity cash and cash equivalents</li> <li>Monitoring and management of subsidiaries' solvency to minimise Group interdependency.</li> <li>Setting and monitoring budgets.</li> <li>Budget and expense management and monitoring.</li> <li>Internal control over financial control policy, application and monitoring.</li> </ul>
Partner Proposition	<ul style="list-style-type: none"> <li>Available technology falls short of client and adviser expectations and fails to support growth objective.</li> </ul>	<ul style="list-style-type: none"> <li>Reliable systems and administration support.</li> </ul>

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

#### RISKS (continued)

<b>Risk</b>	<b>Key risks</b>	<b>Controls/Mitigation</b>
People	<ul style="list-style-type: none"> <li>• Failure to attract and retain personnel with key skills.</li> <li>• Failure to manage colleague performance effectively to meet objectives.</li> <li>• Key person dependencies.</li> <li>• Failure to comply with existing regulations and deliver good client outcomes.</li> </ul>	<ul style="list-style-type: none"> <li>• Competitive total reward packages and effective performance management processes.</li> <li>• Succession planning and talent management.</li> <li>• Client outcome monitoring.</li> <li>• Whistleblowing hotline.</li> </ul>
Regulatory and legislative	<ul style="list-style-type: none"> <li>• Failure to prevent financial crime, money laundering, bribery and corruptions, market abuse.</li> <li>• Internal or external fraud.</li> <li>• Failure to protect the confidentiality, integrity and availability of data.</li> <li>• Failure to comply with changing regulation or respond to changes in regulatory expectations.</li> <li>• Ineffective governance, risk management and systems of controls.</li> <li>• Inadequate internal controls.</li> <li>• Failure to manage new and existing products in line with regulation.</li> </ul>	<ul style="list-style-type: none"> <li>• Financial Crime Prevention</li> <li>• Fraud awareness programmes</li> <li>• Data Protection measures including policies, governance and impact assessments, and awareness programmes</li> <li>• Clearly defined accountabilities and delegated authorities across the business.</li> <li>• Fostering of positive regulatory relationships.</li> <li>• Established Governance and Reporting processes, including incident escalations and breach reporting</li> <li>• Extensive reviews over control environment</li> <li>• Product governance reviews</li> </ul>
Security and resilience	<ul style="list-style-type: none"> <li>• Core system failure</li> <li>• Disruption in key business services to our clients</li> <li>• Failure to protect against cyber-attack.</li> <li>• Corporate, Partnership or third-party information security and cyber risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Business continuity planning for SJP and its key suppliers, and strengthening operational resilience capabilities by undertaking robust identification, assessment and testing of important business services.</li> <li>• Clear cyber strategy and mandatory 'Cyber Essentials Plus' accreditation for Partner practices or use of an SJP 'Device as a Service' solution.</li> <li>• Identification, communication, and response planning for a cyber event.</li> <li>• Data leakage detection technology, incident reporting and systems.</li> </ul>

## Strategic Report (continued)

### Principal risks and uncertainties (continued)

#### RISKS (continued)

Risk	Key risks	Controls/Mitigation
Strategy and change	<ul style="list-style-type: none"> <li>Risk that change initiatives fail to achieve the expected strategic contributions, outcomes and benefits.</li> <li>Risk that change initiatives exceed budget, timelines, or fail to meet quality commitments.</li> <li>Unnecessary delays/errors caused by failures in change delivery.</li> <li>Failure to meet commitments to net zero.</li> </ul>	<ul style="list-style-type: none"> <li>Robust change governance and change management practices including testing</li> <li>Project sponsorship and change governance.</li> <li>Transformation prioritisation, planning and oversight.</li> <li>Change budget and resource planning and management.</li> <li>Risk, assumption, issue and dependency management.</li> <li>Data protection impact assessments.</li> <li>Establishing appropriate interim emission targets using a data driven approach to ensure feasibility.</li> </ul>
Third Parties	<ul style="list-style-type: none"> <li>Operational failures by material outsourcers.</li> <li>Failure of critical services. Significant areas include: <ul style="list-style-type: none"> <li>- investment administration</li> <li>- policy administration</li> <li>- cloud services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Ongoing third-party monitoring and governance, including assessment of operational resilience.</li> <li>Due diligence on contractual agreements and SLAs.</li> <li>Review of exit planning, operational resilience and business continuity plans.</li> </ul>

#### Capital and solvency

The Company manages its financial position prudently to ensure solvency is maintained safely through the economic cycle. This is important not only for the safeguarding of clients' assets, but also to maintain the level of returns to shareholders.

Solvency is assessed against the Solvency II capital requirement: see Note 16 for further information.

		<b>2024</b>	<b>2023</b>
		£'Million	£'Million
Solvency II own funds	(A)	3,077.9	2,596.0
Solvency capital requirement ("SCR")	(B)	1,782.8	1,450.2
Solvency II free assets	(A – B)	1,295.1	1,145.8
<b>Solvency ratio</b>	<b>(A / B)</b>	<b>173%</b>	179%
Foreseeable dividend	(C)	350.0	260.0
Post-dividend solvency ratio	<b>(A-C)/B</b>	<b>153%</b>	161%

With free assets well in excess of SCR, the Company's solvency position remains strong.

The Group capital management policy requires SJPUK to hold own funds at least equal to 130% of SCR.

More information can be found about the Solvency II valuation in the Group's Solvency and Financial Condition Report ("SFCR") available on the Group's website.

## Strategic Report (continued)

### Key performance indicators (“KPIs”)

The key performance indicators used to monitor the development, performance and the position of Group, which includes the Company, are set out in the St. James's Place plc Annual Report and Accounts 2024, copies of which can be obtained from the address shown in in the ultimate controlling party note at the end of these Financial Statements. These cover both financial and non-financial elements.

The key performance indicators which are relevant to the Company are set out below, with the data provided for the Company only:

Non-financial key performance indicators:

	<b>2024</b>	<b>2023</b>
	£'Million	£'Million
<i>Funds</i>		
FUM	128,032.5	111,730.1
Gross inflows of FUM	13,365.4	10,932.5
Net inflows of FUM	4,196.7	4,775.0

Financial key performance indicators:

	<b>2024</b>	<b>2023</b>
	£'Million	£'Million
Dividends paid during the year	260.0	315.0

## Strategic Report (continued)

### Section 172(1) statement

Section 172 of the Companies Act 2006 requires a Director of a company to act in the way they consider, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. Section 172 requires a Director to have regard, amongst other matters, to the:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the Company

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our key stakeholders. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure that our decisions are consistent and predictable.

The Company's stakeholders are entirely aligned with the key stakeholders of the wider Group, being clients, shareholders, Partners, employees, and society (represented by a number of groups including government, regulators, suppliers and the wider community), although some of those are more prominent for us as a subsidiary than others. The Group is focused on ensuring value is generated and preserved over the long-term for all of its stakeholders and the core of our strategy is the long-term relationship St. James's Place and the Partnership have with our clients, the objective of which is to deliver good client outcomes. This is what ultimately drives long-term value for shareholders and other stakeholders and could not be achieved if we did not seek to maintain a reputation for high standards of business conduct.

Authority for day-to-day management of this Company and the Group's other wholly owned subsidiaries is delegated to Executives. The Boards of each company then engage management in setting, approving and overseeing execution of the business strategy and related policies, where relevant to that company. Throughout the year we, as a Board, review matters such as financial and operational performance, key risks, governance and regulatory compliance and the impact of decisions and policies affecting our key stakeholders.

## Strategic Report (continued)

### Section 172(1) statement (continued)

The views of and the impact of the Company's activities on the key stakeholders are an important consideration for the Directors when making relevant decisions. Our governance framework is designed to provide opportunities for the Board to consider and discuss reports and papers that require decision making, which are sent in advance of each periodic Board meeting. The information contained therein, together with presentations to the Board, provide the insight necessary to understand the interests and concerns of key stakeholders and other relevant factors when making decisions. An example from 2024 that illustrates how this has contributed to our compliance with our section 172 duty to promote the success of the company is set out below.

Stakeholders	Consideration
Consumer Duty	<p>From 31 July 2023, The Financial Conduct Authority's new Consumer Duty came into force with the introduction of a new Principle for Business. The Duty, which is a key area of regulatory focus that sets higher standards of consumer protection, states that <i>"A firm must act to deliver good client outcomes for retail customers"</i> has four key outcome areas:</p> <ul style="list-style-type: none"> <li>• Products &amp; Services;</li> <li>• Price &amp; Value;</li> <li>• Consumer Understanding; and</li> <li>• Consumer Support.</li> </ul> <p>We believe that the ethos and culture at SJP is focused on delivering good client outcomes, with client financial well-being a central purpose for the SJP Group's existence. Since the publication of the new principle, the Group has undertaken a comprehensive programme of work, which included building enhancements to our processes, controls, culture, and governance in line with the requirements of the Duty. At the core of this, there has been a thorough assessment of risks associated with foreseeable harm to clients, and actions taken to address and mitigate identified risks. We have also strengthened our ability to continually monitor client outcomes and to appropriately intervene where necessary.</p> <p>On 1 July 2024, the Board approved the inaugural Consumer Duty Board Report, which covered the period from early 2023 through to July 2024. Throughout this period, the Board gave significant consideration to the Duty and to the delivery of good client outcomes. As was explained in the Consumer Duty Board Report, further work is needed to augment the monitoring of client outcome and to aggregating of evidence of that delivery. However, the inaugural Consumer Duty Board Report represented a thorough self-assessment of the Company's stance with respect to the Duty. The Board approved a series of recommendations that are currently being implemented and whose progress is being continually reported upon to the Board. The Board and the Company's management are committed to continually improving the delivery of outcomes to our clients.</p> <p>Following the Board's approval of the inaugural Consumer Duty Board Report, and in response to Board feedback, the specific client outcomes that the Company delivers were defined. These outcomes were approved by the Board on 13 December 2024, and are as follows:</p>

## Strategic Report (continued)

### Section 172(1) statement (continued)

	<ul style="list-style-type: none"> <li>• Allocates my monies</li> <li>• Provides me with access to my monies</li> <li>• Manages my investments</li> <li>• Keeps me updated and supports me</li> <li>• Offers products and investments</li> <li>• Delivers value for money</li> <li>• Makes me feel safe and secure</li> </ul> <p>These outcomes, which are complementary to the outcomes of other SJP Group entities, were derived from how a client interacts with and experiences the Company. However, to provide further reassurance that the outcomes were valid and resonated with clients, the Company reviewed the outcomes with a small number of clients. This review was facilitated by The Wisdom Council, an independent organisation who deliver consumer insight to the financial services sector.</p> <p>The outcomes are now being monitored by the Company and deliberated over by the Board. In addition, the set of outcomes are increasingly a 'guiding light' with respect to how the Company supports its clients. Regarding the 2025 Consumer Duty Board Report, which will be reviewed by the Board in July 2025, the outcomes will be pivotal to the Company's self-assessment approach.</p> <p>To further embed the Duty with the Company, new Consumer Duty-related roles have been established. Ian Mackenzie is the Executive Champion. The Company also has a non-executive Board Consumer Duty Champion, separate 'Consumer Duty Lead', and a team of 'outcome owners' who are individually responsible for overseeing the delivery and monitoring of discrete client outcomes. These Consumer Duty-related roles, along with our clearly defined set of client outcomes, have allowed the Company to more thoroughly embed the Duty and increase its client outcome orientation in 2024.</p> <p>We believe SJPUK now has clarity on the client outcomes we deliver, monitor and report on under Consumer Duty.</p>
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## **Strategic Report (continued)**

### **Section 172(1) statement (continued)**

While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the Group means that generally our stakeholder engagement is best co-ordinated at an operational or Group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as individual companies.

For details of engagement with the Company's stakeholders which helps the Directors to understand the issues to which they must have regard, please see the section 172(1) statement in the St. James's Place plc Annual Report and Accounts 2024.

### **Responsible business**

At SJP, we recognise that we have both the responsibility and the opportunity to drive positive change by considering the long-term impact of our actions. Being a responsible business is an integral part of what we do and how we do it. We are committed to taking responsibility for our actions and strive to have a positive impact on our people and communities. Further information on the Group's approach to responsible business is set out in the St. James's Place plc Annual Report and Accounts 2024.

We are committed to respecting and supporting the protection of internationally proclaimed human rights and managing our business in an ethical manner, with no tolerance for the abuse of human rights (including modern slavery). Recognising that our approach to identifying and preventing modern slavery and human trafficking is applied consistently across the Group, our Group Modern Slavery and Human Trafficking Statement reports on behalf of all our companies and can be found [www.sjp.co.uk/shareholders/esg-reporting-hub](http://www.sjp.co.uk/shareholders/esg-reporting-hub).

### **Going concern**

The going concern basis has been adopted in preparing these financial statements. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above on pages 8 to 10

The Board has considered wider macroeconomic factors relevant during 2024, along with the Company's financial results. The Board have also reviewed and take comfort from the Group's assessment of going concern as outlined in the St. James's Place plc Annual Report & Accounts 2024.

As shown on page 17 of the Strategic Report, the Company's capital position remains strong and well in excess of regulatory requirements.

In addition, the Board has reviewed the performance of our key outsource providers, monitored through our ongoing oversight which supports its view that the business will continue to remain operationally resilient.

## Strategic Report (continued)

### Going concern (continued)

As a result of its review, the Board believes that the Company will continue to operate for a period of at least 12 months from the date of approval of the financial statements.

### Corporate Governance Statement for year end 31 December 2024

As our ultimate parent SJP plc is a premium listed entity, it is required to report against the UK Corporate Governance Code. A comprehensive explanation of the corporate governance arrangements for that company, including the wider Group, can be found in the Group Annual Report and Accounts 2024.

The table below outlines the Company's corporate governance arrangements for the year ending 31 December 2024 against each of the key principles of the St. James's Place Group Governance Principles (including where further information can be found):

<p><b>Board leadership and company purpose</b></p> <p>Individual subsidiaries should be led by effective and entrepreneurial Boards which ensure that they fulfil the purpose set for them in contributing to the long-term sustainable success of the Group. The Board should ensure that the company values and strategy align to the Group's culture and strategy.</p>	<p>The Company is led by an effective and entrepreneurial Board that strives to successfully balance risk and opportunities which deliver the best outcome for the Company. The role that the Company plays within the Group is clearly defined within the Strategic Report on pages 4 to 5.</p> <p>The culture and values of SJPUK are consistent and aligned with other Group companies. Further information on the Group's purpose, culture and values can be found in the Group Report.</p> <p>The Strategic Report on pages 4 to 29 also sets out the Group strategy and the role the Company plays in that strategy.</p>
<p><b>Audit, Risk &amp; Internal Control</b></p> <p>The Boards of subsidiaries should satisfy themselves that the Group has in place formal and transparent policies and procedures that enable them to (i) identify the nature and extent of risks the company is willing to take in order to achieve its objectives; (ii) manage such risks effectively; (iii) oversee the internal control framework operating in relation to the company's business; (iv) promote the independence and effectiveness of audit functions; and (v) satisfy themselves on the integrity of financial reporting.</p>	<p>The Company is an integral part of SJP's overall proposition which is focused on long-term sustainable business growth through the delivery of excellent client outcomes through the Partnership. The Board plays a role in this and discusses strategy, planning and performance as well as considering risk, in conjunction with the Group Risk Committee, including through the Own Risk and Solvency Assessment ("ORSA") process. More detail on how the Group creates and maintains value in the long-term can be found in the Strategic Report in the Group Report.</p> <p>Details of the Company's risk management framework and principal risks can be found in the Strategic Report on pages 15 to 17.</p> <p>The Group's Internal Audit Charter and Policy on Auditor-Independence is considered and adopted by the Board. Responsibility for oversight is delegated to the Company's Audit Committee. The Board considers internal audit activity which is material to the Company. This includes overseeing financial reporting, internal and external audit and the Group's systems of internal control. The internal control framework is monitored by the Company's Audit Committee on behalf of the Board.</p>

## Strategic Report (continued)

### Corporate Governance Statement for year end 31 December 2024 (continued)

Board topic	Engagement
<p><b>Division of Responsibilities</b>                      There should be a clear division of responsibility between the responsibilities of Directors on the boards.</p>	<p>The Board meets at least quarterly and holds ad hoc Board meetings as and when required. The Chair works with the Group's Company Secretariat to set an appropriate agenda addressing the key considerations for the Board. A forward agenda is also maintained and co-ordinated with those of SJP plc and/or its committees where appropriate. Key employees from across the business attend Board meetings to advise on any specific items where necessary. The Board has a schedule of matters in place which details the responsibilities that it retains and those it delegates to other Boards and committees.</p> <p>The roles of Board Chair and Company CEO are held by different Directors and the Board Chair position has been held by an independent Non-executive Director since 6 June 2022. The Board Chair is responsible for the Board's overall effectiveness and, together with the other Non-executive Directors, provides challenge to management.</p> <p>Directors have a responsibility to declare any conflict of interest at the beginning of each Board meeting. Should a conflict arise, it is the responsibility of the Chair in conjunction with the non-conflicted Directors to agree whether the Director may participate and/or vote on the specific item. External legal counsel may be sought where the Board needs additional advice on any conflict. The Board receives and reviews a copy of its conflict of interest register at each of its Board meetings as part of the Company Secretary's Report.</p> <p>Upon appointment, Directors receive induction training which, amongst other things, covers the Company's business as well as their statutory duties as Directors of a regulated entity.</p> <p>As a public interest entity (PIE) the Board is required to have an audit committee. Prior to May 2022, this requirement was fulfilled by the Group's Audit Committee. However, in May 2022 a dedicated Audit Committee of the Board was formed. The Group's Risk Committee has responsibility for and acts as the Risk Committee for the Company. Reports are received by the Board from each Committee at each of its scheduled meetings. The Board retains ultimate responsibility for the duties it delegates to sub-committees, and this is detailed in the schedule of matters.</p>

## Strategic Report (continued)

### Corporate Governance Statement for year end 31 December 2024 (continued)

<p><b>Board composition, succession and evaluation</b></p> <p>The Boards of subsidiaries should be of a size that is appropriate to the scale and complexity of the company. Boards should comprise of an appropriate balance of skills, experience, and diversity, and should provide effective challenge to management. The effectiveness of Boards should be measured at least annually, and a succession plan should be in place for all Board roles, with future appointments being based on merit and objective criteria.</p>	<p>The Company's Board comprises six Directors with a mix of Executive and Non-executive Directors, enabling it to maintain a quorum in the event of any known potential conflict of interest.</p> <p>As of June 2022, the Company's Board has been chaired by Tony O'Riordan, who joined the Board in July 2021. The remainder of the Board comprises Simon Fraser (Non-executive Director), Rosemary Hilary (Non-executive Director), John Hitchins (Non-executive Director), Ian MacKenzie (Chief Executive Officer), and Charles Woodd (Chief Finance Officer).</p> <p>Succession planning for both Executive and Non-executive roles on Committees and subsidiaries within the Group is carried out by the Group Nomination and Governance Committee on behalf of the Board.</p> <p>The Board carries out regular (at least annual) reviews of its effectiveness. The last review was conducted in December 2024 and the next is scheduled for December 2025.</p> <p>Although the Company has no employees, inclusion and diversity are important areas and are considered at both a Group and Company level. For further details on the Group activity in this area please see the Group Report.</p>

## Strategic Report (continued)

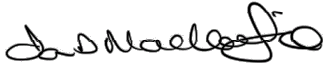
### Corporate Governance Statement for year end 31 December 2024 (continued)

	<p>systems of internal control. The internal control framework is monitored by the Company's Audit Committee on behalf of the Board.</p>
<p><b>Remuneration</b> The remuneration policies and practices of subsidiaries should be aligned with and consistent with the Group's Employee Reward Policy and should be developed in accordance with formal and transparent procedures, ensuring no Director is involved in deciding their own remuneration outcome. The remuneration of all Directors and employees of the Group should adhere to all regulatory requirements applicable to the subsidiary, be aligned to the successful delivery of the Group's strategy for the benefit of its stakeholders and not encourage risk taking that is outside the Group's appetite. Outcomes should take account of Group and individual performance, and wider circumstances such as the Group's purpose and values, its commitment to fair pay and remuneration across the company's workforce.</p>	<p>As the Company is a Solvency II Life Insurer it is required to adhere to specific requirements around remuneration and compliance. These requirements are monitored by the Group's Remuneration Committee. All policies in relation to Remuneration are in line with business strategy, risk profile, objectives, risk management practices and long-term interests and detail any measures incorporated to avoid conflicts of interest. An annual report of remuneration is provided to the Board from the Group Remuneration Committee.</p> <p>Executive Directors and employees of the Group are not separately remunerated where they act as Directors of Group companies. The fees to be paid to Non-executive Directors of subsidiary companies are agreed by the Board of SJP plc and are set at a level that is proportionate given the complexity and commitments required from the role. Non-executive Directors (including the Chair) receive a fee for acting as a Director of the Company, but no other Directors receive fees. Details of the remuneration package can be found in Note 8, on page 61 of the Group Report and Accounts. Non-executive Directors (including the Chair) appointed to subsidiaries of Group companies are not entitled to any performance related remuneration.</p>
<p><b>Stakeholder relationships and engagement</b> Directors of subsidiaries should ensure that effective stakeholder relationships are being fostered with each of the company's key stakeholders, taking account of the Group's purpose and values and the wider engagement undertaken across the Group with its stakeholders. The Board should seek to understand the views of its stakeholders and the impact of the company's behaviour and business, having regard to the views and interests of those stakeholders when making decisions.</p>	<p>Details of how the Group engages with key stakeholders can be found in the Group Annual Report and Accounts. Further information from the Company's perspective can be found in the strategic report s.172 statement on pages 19 to 22.</p>

## **Strategic Report (continued)**

### **Corporate governance report (continued)**

This Strategic Report was approved by the Board on 26 February 2025 and signed on its behalf on the same date by:



**I D MacKenzie**  
Director

## **Directors' Report**

### **for the year ended 31 December 2024**

The Directors present their report together with the audited Financial Statements for the year ended 31 December 2024.

#### **Principal activities**

The Company is authorised by the PRA and the FCA to transact long-term insurance business in the United Kingdom. The current product range of the Company is focused on unit-linked savings, unit-linked pension savings and unit-linked drawdown business. There is also a small legacy portfolio of protection business (including whole of life, term assurance and standalone critical illness).

#### **Results and dividends**

The profit after tax for the financial year amounted to £350.2 million (2023: £258.1 million).

Dividends totalling £260.0 million (2023: £315.0 million) were paid during the year. The Directors propose the payment of a final dividend of £350.0 million (2023: £260.0 million).

#### **Directors**

The Directors who served during the year and up to the date of signing the financial statements were:

S W D Fraser (appointed 22 April 2024)

R Hilary

J C F Hitchins

I D MacKenzie

A O'Riordan

C F B Woodd

D J Burke (resigned 31 January 2024)

#### **Employees**

The Company has no employees (2023: nil).

#### **Directors' indemnity and insurance**

St. James's Place plc ("SJP"), the ultimate parent company, has taken out insurance covering Directors and officers against liabilities they may incur in their capacity as Directors or officers of SJP and its subsidiaries. SJP has granted indemnities to all of its Directors in their capacities as Directors of SJPUK on terms consistent with the applicable statutory provisions. This is a qualifying third-party indemnity provision for the purposes of section 234 of the Companies Act 2006 were accordingly in force during the course of the financial year ended 31 December 2024 and remain in force at the date of this report.

## **Directors' Report for the year ended 31 December 2024 (continued)**

### **Matters covered in the Strategic Report**

Future developments, financial risk management and going concern are all referred to in the Strategic Report set out on pages 8 to 27 of these financial statements in accordance with Section 414c(11) of the Companies Act 2006.

A summary of how the Directors' have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial year is set out in the Strategic Report within the section 172 (1) statement on pages 19 to 22.

### **Disclosure of information to auditors**

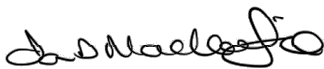
Each of the Directors, at the date of approval of this report, confirms that:

- so far as each Director is aware, there is no relevant audit information of which the auditors are unaware; and
- each Director has taken all steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

This report was approved by the Board of Directors on 26 February 2025 and signed on its behalf on the same date by:



**I D MacKenzie**

Director

## **Directors' Responsibilities Statement**

### **for the year ended 31 December 2024**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with UK-adopted international accounting standards.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

# Independent auditors' report to the members of St. James's Place UK plc

## Report on the audit of the financial statements

### Opinion

In our opinion, St. James's Place UK plc's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- 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 Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2024; the Statement of Comprehensive Income; Statement of Changes in Equity; and Statement of Cash Flows for the year then ended; 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 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 company 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 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.

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 company is a wholly-owned life insurance entity within the St. James's Place plc group and does not prepare consolidated financial statements therefore we did not apply any group scoping and we audited all of the material financial statement line items.

##### Key audit matters

- Valuation of investments with a judgemental valuation being investment properties

##### Materiality

- Overall materiality: £17,500,000 (2023: £16,840,000) based on 5% of profit before shareholder tax from continuing operations.
- Specific overall materiality: £844,000,000 (2023: £820,000,000) based on 0.7% of Assets held to cover linked liabilities applies to assets held to cover linked liabilities, investment contract liabilities and associated income Statement line items.
- Performance materiality: £13,125,000 (2023: £12,630,000).

- Specific performance materiality: £663,000,000 (2023: £615,000,000) applied to assets held to cover linked liabilities, investment contract liabilities and associated income Statement line items.

**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.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p><i>Valuation of investments with a judgemental valuation being investment properties</i></p> <p>As disclosed in note 12 (Page 63) as at 31 December 2024, the Company held £892.3 million of investment properties which requires management to use significant estimates and judgements in order to calculate the valuation at the year-end. Due to the magnitude of this balance and the level of judgement involved in the valuation, this was an area of focus for our audit. The Group uses a management expert, CBRE, in the investment valuation activities of the investment property portfolio, with the management of the portfolio performed by Orchard Street.</p>	<p>We engaged our internal real estate valuation experts to review the methodology and key assumptions used by CBRE in valuing the property portfolio. Our valuation experts obtained and reviewed the valuation reports produced by CBRE and confirmed that the methodology adopted was appropriate and benchmarked the key assumptions used by CBRE against industry norms using our experience and knowledge of the market for all properties in the portfolio. Where they fell outside of the expected ranges, valuations showed unexpected movements, or otherwise appeared unusual, performed further testing and, when necessary, held further discussion with Valuers to understand and validate the assumptions. Agreed key data inputs to the valuations to supporting evidence on a sample basis. From the evidence obtained when testing the valuation, we found the assumptions and methodology used 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 company, the accounting processes and controls, and the industry in which it operates.

The company is a wholly-owned life insurance entity within the St. James's Place plc group and does not prepare consolidated accounts and therefore we did not apply any group scoping and we audited all of the material financial statement line items.

**The impact of climate risk on our audit**

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

Enquired of management to understand the process management adopted to assess the extent of the potential impact of climate risk on the financial statements and support the disclosures made within Annual Report. Management's assessment is that the impact of climate risk does not give rise to a potential material financial statement impact.

Considered the consistency of the disclosures in relation to climate change within the Annual Report with the financial statements and our knowledge obtained from our audit.

Our procedures did not identify any material impact in the context of our audit of the financial statements as a whole, or our key audit matters for the year ended 31 December 2024.

## 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:

<i>Overall company materiality</i>	£17,500,000 (2023: £16,840,000).
<i>How we determined it</i>	5% of profit before shareholder tax from continuing operations
<i>Rationale for benchmark applied</i>	The engagement team concluded that £17,500,000 is the most appropriate figure when setting an overall materiality on the engagement. The quantum of £17,500,000 was determined by considering the various benchmarks available to us as auditors, our experience of auditing the company and the business performance during the past three years. £17,500,000 represents 5% of Profit before shareholder tax from continuing operations for the year.

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% (2023: 75%) of overall materiality, amounting to £13,125,000 (2023: £12,630,000) for the 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 at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £875,000 (2023: £842,000) as well as misstatements below that amount 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 £22,500,000 (2023: £19,600,000).

## Conclusions relating to going concern

Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Obtained management's assessment of the going concern of the Company, and challenged the appropriateness of the assumptions used by utilising our knowledge of the Company gained throughout the audit and obtaining further corroborative audit evidence.
- Considered the results of management's analysis of the relevant solvency requirements and liquidity position of the Company, including forward looking scenarios within the Group's Own Risk and Solvency Assessment.
- Considered information obtained through review of regulatory correspondence, minutes of meetings of the Board, Audit and Risk Committees, as well as publicly available information to identify any information that would contradict management's assessment.

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 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 company's ability to continue as a going concern.

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 2024 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 company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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.

### 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 company and industry, we identified that the principal risks of non-compliance with laws and regulations related to corporate taxation, UK regulatory principles such as those governed by the Prudential Regulation Authority and the Financial Conduct Authority, 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 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 management bias in accounting estimates and judgmental areas as shown in our key audit matter. Audit procedures performed by the engagement team 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;
- Reading the 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;
- Reading key correspondence with the Prudential Regulation Authority and the Financial Conduct Authority in relation to compliance with laws and regulations;

- Reviewing relevant meeting minutes including those of the Board, Risk and Audit Committees
- Reviewing data regarding customer complaints and 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; and
- Designing audit procedures to incorporate unpredictability around nature, timing or extent of our testing.
- Procedures relating to the estimates and judgements applied in the valuation of investment property, 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](http://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 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

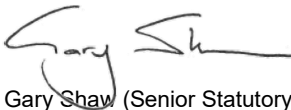
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the 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 financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

### Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 7 December 2009 to audit the financial statements for the year ended 31 December 2009 and subsequent financial periods. The period of total uninterrupted engagement is 16 years, covering the years ended 31 December 2009 to 31 December 2024.



Gary Shaw (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Bristol  
26 February 2025

**Statement of Comprehensive Income****for the year ended 31 December 2024**

		<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	Note	<b>£'Million</b>	£'Million
Fee and commission income	3	1,336.8	1,167.3
Expenses	4	(443.5)	(420.7)
Investment return	5	14,280.3	11,966.9
Movement in investment contract benefits	5	(14,221.6)	(11,928.2)
Insurance revenue	6	14.3	14.9
Insurance service expenses	7	(14.4)	(15.2)
Net reinsurance expense		(1.4)	(2.3)
Insurance service result		(1.5)	(2.6)
Net insurance finance income/(expenses)		2.8	(9.3)
Other finance income		16.4	5.4
<b>Profit before tax</b>		<b>969.7</b>	<b>778.8</b>
Tax attributable to policyholders' returns	9	(508.6)	(442.0)
<b>Profit before tax attributable to shareholders' returns</b>		<b>461.1</b>	<b>336.8</b>
Tax attributable to shareholders' returns	9	(110.9)	(78.7)
<b>Profit and total comprehensive income for the year</b>		<b>350.2</b>	<b>258.1</b>

The results relate to continuing operations.

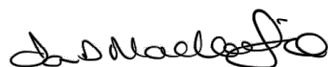
The Notes and information on pages 40 to 101 form part of these Financial Statements.

## Statement of Financial Position

as at 31 December 2024

		<b>31 December 2024</b>	31 December 2023
	Note	<b>£'Million</b>	£'Million
<b>Assets</b>			
Deferred acquisition costs	18	168.4	179.9
Investment property	12	892.3	1,110.3
Investments in Group undertakings	11	17.1	17.1
Reinsurance assets	15	15.3	13.7
Prepayments and accrued income	14	124.7	138.4
Other Receivables	13	685.6	730.7
Financial investments	12	128,397.7	111,825.7
Cash and cash equivalents	12	252.5	299.6
<b>Total assets</b>		<b>130,553.6</b>	<b>114,315.4</b>
<b>Liabilities</b>			
Deferred tax liabilities	9	673.3	409.2
Insurance contract liabilities	15	148.0	166.7
Deferred income	18	213.3	224.1
Other Payables	17	673.6	1,099.0
Investment contract benefits	5	128,379.5	112,042.5
Derivative financial liabilities	12	1.8	-
<b>Total liabilities</b>		<b>130,089.5</b>	<b>113,941.5</b>
<b>Net Assets</b>		<b>464.1</b>	<b>373.9</b>
<b>Shareholders' equity</b>			
Share capital	19	110.0	110.0
Retained earnings		354.1	263.9
<b>Total equity</b>		<b>464.1</b>	<b>373.9</b>

The Financial Statements on pages 36 to 39 were approved by the Board of Directors on 26 February 2025 and signed on its behalf by:



**I D MacKenzie**

Director

The Notes and information on pages 40 to 101 form part of these Financial Statements.

## Statement of Changes in Equity

*for the year ended 31 December 2024*

	Note	<b>Share capital</b> £'Million	<b>Retained earnings</b> £'Million	<b>Total shareholders' funds</b> £'Million
At 1 January 2023		110.0	320.8	430.8
Profit for the year		-	258.1	258.1
Dividends: Equity capital	10	-	(315.0)	(315.0)
<b>At 31 December 2023</b>		<b>110.0</b>	<b>263.9</b>	<b>373.9</b>
Profit for the year		-	350.2	350.2
Dividends: Equity capital	10	-	(260.0)	(260.0)
<b>At 31 December 2024</b>		<b>110.0</b>	<b>354.1</b>	<b>464.1</b>

The Notes and information on pages 40 to 101 form part of these Financial Statements.

## Statement of Cash Flows

*for the year ended 31 December 2024*

	Note	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
		<b>£'Million</b>	£'Million
<b>Cash flows from operating activities</b>			
Profit before tax for the year		969.7	778.8
Adjustments for:			
Interest income		(58.4)	(47.8)
		911.3	731.0
<b>Changes in operating assets and liabilities</b>			
Decrease in deferred acquisition costs	18	11.5	23.0
Decrease in investment property	12	218.0	184.2
Increase in financial investments	12	(16,570.2)	(15,519.2)
(Increase)/decrease in reinsurance assets	15	(1.6)	42.0
Decrease in prepayments and accrued income	14	13.7	13.5
Decrease/(increase) in other receivables	13	235.0	(201.4)
Decrease in insurance contract liabilities	15	(18.7)	(5.2)
Increase in investment contract benefits	5	16,337.0	14,926.5
Decrease in deferred income	18	(10.8)	(23.1)
(Decrease)/Increase in other payables	17	(464.5)	233.8
		(250.6)	(325.9)
<b>Cash generated from operations</b>		<b>660.7</b>	<b>405.1</b>
Interest received		58.4	47.8
Income taxes paid	9	(316.2)	(162.8)
<b>Net cash inflow from operating activities</b>		<b>402.9</b>	<b>290.1</b>
<b>Cash flows from investing activities</b>			
Loan to related parties	13	(190.0)	-
<b>Net cash outflow from investing activities</b>		<b>(190.0)</b>	-
<b>Cash flows from financing activities</b>			
Dividends paid	10	(260.0)	(315.0)
<b>Net cash outflow from financing activities</b>		<b>(260.0)</b>	<b>(315.0)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(47.1)</b>	<b>(24.9)</b>
Cash and cash equivalents at 1 January		299.6	324.5
<b>Cash and cash equivalents at 31 December</b>		<b>252.5</b>	<b>299.6</b>

The Notes and information on pages 40 to 101 form part of these Financial Statements.

## **Notes to the Financial Statements**

### **1. Accounting policies**

The principal accounting policies of the Company, which have been applied consistently throughout the year, are set out below.

#### **1.1 Statement of compliance**

The Financial Statements of the Company have been prepared and approved by the Directors in accordance with UK adopted International Financial Reporting Standards as adopted by the UK and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

There are no new or amended accounting standards, that are effective for the year ended 31 December 2024, that have a material impact on the Company's financial statements.

#### **1.2 New and amended Accounting Standards not yet effective**

As at 31 December 2024 the following new standard, which is relevant to the Company but has not been applied in the Financial Statements, was in issue but is not yet effective. The below standard is yet to be endorsed by the UK Endorsement Board

- IFRS 18: Presentation and Disclosure in Financial Statements

The Company is currently assessing the impact of the adoption of the above standard on the Company's results reported within the Financial Statements. Further information on this standard is given below.

#### **IFRS 18 Presentation and Disclosure in Financial Statements**

The IASB issues 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, and
- More useful grouping of information in the Financial Statements

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 1.3 Basis of preparation

The going concern basis has been adopted in preparing these Financial Statements. The Board's review on going concern is set out on page 22 of the Strategic Report. As a result of its review, the Board believes that the Company 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 financial statements.

The Financial Statements are presented in pounds Sterling, rounded to the nearest million, unless stated otherwise. 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.

The preparation of Financial Statements in conformity with IFRS 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 the judgements about 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 IFRS 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 Financial Statements.

The Company is entitled to exemption from the requirement to prepare and deliver consolidated financial statements under section 400 of the Companies Act 2006. The parent undertaking that draws up Group Financial Statements and its registered address is set out in Note 22.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 1.3 Basis of preparation (continued)

Following the adoption of IFRS 17 on 1 January 2023, the accounting policies for 'Insurance premium income', 'Insurance claims and reinsurance recoveries', as outlined in the prior year financial statements, were replaced by a new policy 'Net insurance service result'. The policies for 'Reinsurance assets' and 'Insurance contract liabilities' were amended. The new and amended policies have been set out below.

#### 1.4 Product classification

The Company'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 Company'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 Company is unit-linked investment business and is classified as investment contracts.

#### 1.5 Fee and commission income

Fee and commission income comprises:

- (i) wealth management fees paid by clients for the ongoing administration of their investment product;
- (ii) investment management fees paid by clients for all aspects of investment management, including fees taken by the Company to pay third-party investment advisors;
- (iii) fund tax deductions, which are fees charged to clients to match the policyholder tax expense;
- (iv) policyholder tax asymmetry, the difference between the deferred tax position and the offsetting client balances; and
- (v) amortisation of deferred income ("DIR"), the unwinding of income that has been deferred. This relates to initial product charges.

Wealth management fees, investment management fees, fund tax deductions and policyholder tax asymmetry 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.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 1.5 Fee and commission income (continued)

When initial product charges 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.

#### 1.6 Expenses

Expenses comprise costs incurred in the ordinary activities of the Company, which include regulatory fees, recharges from another Group company, other third-party expenses, pre-RDR commission and investment expenses charged to the Statement of Comprehensive Income on an accruals basis.

#### 1.7 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, which is generated on assets classified as fair value through profit or loss, is accounted for using the effective interest method.

#### 1.8 Insurance revenue

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

#### 1.9 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.

#### 1.10 Net reinsurance income/(expense)

Net reinsurance income/(expense) reflects the insurance revenue and expenses arising from reinsurance contracts. Reinsurance income and expense is recognised during the relevant coverage period in which the services will be provided.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 1.11 Net insurance finance income/(expense)

Net insurance finance income/(expense) represents the change in the value of insurance contracts and the associated backing assets due to financial risk and the effect of the time value of money. All insurance finance income and expense is included in the Statement of Comprehensive Income on an accruals basis.

#### 1.12 Other finance income

Other finance income includes the monthly interest income accruing on an intercompany loan granted to SJP plc. Interest is accrued on the loan at the rate of a margin above the Bank of England Base Rate.

#### 1.13 Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax payable by the Company 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.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 1.13 Income taxes (continued)

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.

##### **(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.

#### 1.14 Dividends

Dividend distributions to the Company's shareholders are recognised in the period in which the dividends are declared, this is when they are appropriately authorised and no longer at the discretion of the Company. The final dividend for the year is disclosed but unpaid and awaiting approval by the Company's shareholders at the Annual General Meeting.

#### 1.15 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 UK retail investment product. The Company facilitates the payment of these charges for the client by arranging withdrawals from the client's policy.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 1.16 *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 Company's investment contracts. All other costs are recognised as expenses when incurred.

The periods over which costs are expected to be recoverable for investment contracts is 14 years.

#### 1.17 *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 1.7.

#### 1.18 *Investments in Group undertakings*

Investments in Group undertakings are recorded at cost less any provision for impairment. Impairment reviews are performed by the Directors on an annual basis and when there has been an indication of potential impairment.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 1.19 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 Insurance contract liabilities for further information.

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

#### 1.20 Prepayments and accrued income

Prepayments 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. Accrued income is recognised as services are rendered.

#### 1.21 Other Receivables

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

#### 1.22 Financial investments

Equities, fixed income securities and investment in Collective Investment Schemes 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 Company 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.

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 Company'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

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 1.22 Financial Investments (continued)

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 Company 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.

#### 1.23 Cash and cash equivalents

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

Cash and cash equivalents held within unit-linked 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 income in the Statement of Comprehensive Income.

All other cash and cash equivalents are classified at amortised cost. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses.

#### 1.24 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 changes the products within a portfolio.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 1.24 Insurance contract liabilities (continued)

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

- the Fulfilment Cashflows, 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); and
- the Contractual Service Margin (CSM), comprising the unearned profit within a group of contracts that will be recognised as the Company provides insurance services in the future.

The estimate of future cashflows represents the best estimate of the cost to fulfil cashflows 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 cashflows 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 Cashflows 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 Variable Fee Approach (applicable to unit-linked insurance business), the GMM is supplemented by an adaptation for contracts with direct participation features. The Fulfilment Cashflows 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.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 1.25 *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 six to 14 years.

#### 1.26 *Other Payables*

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

Accruals are recognised as services are provided and an expense recognised in the Statement of Comprehensive Income.

#### 1.27 *Investment contract benefits*

All of the Company'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 Company's unitised investment funds, determined on a bid value, at the reporting date. An allowance for deductions due to (or from) the Company 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 Company 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.

#### 1.28 *Foreign currencies*

Foreign currency transactions are translated into 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. The Company's functional currency is pounds Sterling.

## Notes to the Financial Statements (continued)

### 1. Accounting policies (continued)

#### 1.29 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.

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

#### 2.1 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 Company's critical accounting estimates are:

- determining the value of insurance contract liabilities and reinsurance assets; and
- determining the fair value of investment property.

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.

#### 2.1.1 Determining the value of insurance contract liabilities and reinsurance assets

In accordance with IFRS 17, the Company 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 2024 and expected rates in 2025 and over the long-term;
- the lapse assumption, which is set based on an investigation of experience during the year; and
- the risk adjustment is determined using a cost of capital approach with a 3% charge (2023: 3%). There has been no change during the period.

## Notes to the Financial Statements (continued)

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

#### 2.1.1 Determining the value of insurance contract liabilities and reinsurance assets (continued)

Further details of the valuation of insurance contract liabilities and reinsurance assets, including sensitivity analysis are set out in Note 15.

#### 2.1.2 Determining the fair value of investment property

In accordance with IAS 40, the Company 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 ability to remain as an attractive technical configuration to existing and prospective tenants in a changing market and a judgement to be reached 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 matters of design, configuration, accessibility, legislation, management and fiscal considerations – and current and historic 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.

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

### 2.2 Judgements

Following the adoption of IFRS 17 on 1 January 2023, the Company has applied the following judgement:

## Notes to the Financial Statements (continued)

### 2. Critical accounting estimates and judgements in applying accounting policies (continued)

#### 2.2.1 Determining the value of insurance contract liabilities and reinsurance assets

Fair value has been determined based on the Solvency II best estimate liability, together with an additional margin for risk calculated using a cost of capital approach. The Solvency II best estimate liability utilises economic assumptions based on relevant market information, together with non-economic assumptions including lapse rates, expenses and mortality rates.

### 3. Fee and commission income

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Wealth management fees	705.5	612.7
Investment management fees	69.5	64.8
Fund tax deductions	515.6	442.1
Policyholder tax asymmetry	(38.9)	(44.4)
<b>Fee and commission income before DIR amortisation</b>	<b>1,251.7</b>	1,075.2
Amortisation of DIR	85.1	92.1
<b>Total fee and commission income</b>	<b>1,336.8</b>	1,167.3

Wealth management fees represent charges levied on manufactured business.

Investment management fees are received from clients for the provision of all aspects of investment management. Broadly, investment management fees match investment management expenses.

Fund tax deductions represent amounts 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 above). 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 Statement of Financial Position between the deferred tax position and the offsetting client balance. The net tax asymmetry balance reflects a temporary

## Notes to the Financial Statements (continued)

### 3. Fee and commission income (continued)

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 2024 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 above.

### 4. Expenses

	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	<b>£'Million</b>	£'Million
Acquisition expenses	101.5	91.3
Change in deferred acquisition costs	11.5	23.0
Acquisition commission	0.8	0.8
<b>Acquisition costs incurred</b>	<b>113.8</b>	115.1
Fund related commission (pre-RDR)	92.7	90.3
Administrative expenses	167.5	150.5
<b>Total net operating expenses</b>	<b>374.0</b>	355.9
Investment management expenses	69.5	64.8
<b>Total expenses</b>	<b>443.5</b>	420.7

The fees payable to the Company's auditors and its associates were paid on behalf of the Company by another Group company, St. James's Place Management Services Limited. There were no non-audit services provided to the Company during 2024.

	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	<b>£'Million</b>	£'Million
Fees payable to the Company's auditors and its associates for the audit of the Company's financial statements	0.3	0.4

## Notes to the Financial Statements (continued)

### 5. Investment return and movement in investment contract benefits

The majority of the business written by the Company is unit-linked investment business, and so investment contract benefits are measured by reference to the underlying net asset value of the Company'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

	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	<b>£'Million</b>	£'Million
Rental Income	60.8	69.9
Loss on revaluation of investment properties	(3.3)	(44.9)
Net investment return on financial instruments classified as fair value through profit and loss	14,164.1	11,903.2
<b>Investment return on net assets held to cover unit liabilities</b>	<b>14,221.6</b>	11,928.2
Net investment return on financial instruments classified as fair value through profit and loss	58.7	38.7
<b>Investment return on shareholder assets</b>	<b>58.7</b>	38.7
<b>Total investment return</b>	<b>14,280.3</b>	11,966.9

#### Movement in investment contract benefits

	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	<b>£'Million</b>	£'Million
Balance at 1 January	112,042.5	97,116.0
Deposits	13,350.5	10,916.3
Withdrawals	(9,904.9)	(6,774.1)
Movement in investment contract benefits	14,221.6	11,928.2
Fees and other adjustments	(1,330.2)	(1,143.9)
<b>Balance at 31 December</b>	<b>128,379.5</b>	112,042.5
Current	6,192.1	5,593.9
Non-current	122,187.4	106,448.6
<b>Total</b>	<b>128,379.5</b>	112,042.5
<b>Movement in investment contract benefits</b>	<b>(14,221.6)</b>	(11,928.2)

See accounting policy 1.27 for further information on the current and non-current disclosure.

## Notes to the Financial Statements (continued)

### 6. Insurance revenue

	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	<b>£'Million</b>	£'Million
<i>Amounts relating to changes in liabilities for remaining coverage</i>		
- Expected incurred claims and other insurance service expenses	13.1	13.7
- Change in risk adjustment for non-financial risk for risk expired	0.4	0.4
- CSM recognised for services provided	0.8	0.8
<b>Total Insurance revenue</b>	<b>14.3</b>	14.9

### 7. Insurance service expenses

	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	<b>£'Million</b>	£'Million
<i>Amounts relating to changes in liabilities for remaining coverage</i>		
- Incurred claims and other insurance service expenses	(14.4)	(15.2)
<b>Total Insurance service expenses</b>	<b>(14.4)</b>	(15.2)

## Notes to the Financial Statements (continued)

### 8. Directors' remuneration

The emoluments received by the Directors in respect of their services to the Company for the year were:

	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	<b>£'Million</b>	£'Million
Aggregate remuneration	0.9	0.6
Pension contribution	0.1	0.1
Amounts receivable under long-term incentive schemes	0.1	0.6
<b>Aggregate emoluments</b>	<b>1.1</b>	<b>1.3</b>

The aggregate emoluments of the highest paid Director in the year were £0.5 million (2023: £0.5 million), and cash supplements in lieu of their defined contribution pension scheme totalled £0.1 million (2023: £0.1 million). The number of options the highest paid Director exercised over the shares in SJP plc was nil (2023: 221), and the number of shares receivable by them in respect of qualifying service was 192 (2023: 7,163).

At 31 December 2024 the number of Directors to whom retirement benefits are accruing including those receiving a cash supplement in lieu of their defined contribution pension scheme is two (2023: two), including the highest paid Director. Retirement benefits are accruing in money purchase schemes for one (2023: one) Director at the year end.

The number of Directors who exercised options over the shares in St. James's Place plc during the year while acting as Directors of this Company is nil (2023: two). The number of Directors in respect of whose qualifying services shares were receivable under long-term incentive schemes is nil (2023: two).

The Directors are employed by another Group company, St. James's Place Management Services Limited, which recharges the costs of their emoluments across the companies to whom they provide services.

## Notes to the Financial Statements (continued)

### 9. Income and Deferred taxes

Tax for the year	Year ended 31 December 2024 £'Million	Year ended 31 December 2023 £'Million
<b>Current tax</b>		
UK corporation tax		
- Current year charge	355.3	269.6
- Adjustments in respect of prior year	(2.1)	(1.6)
Overseas tax		
- Current year charge	2.2	3.6
	<b>355.4</b>	271.6
<b>Deferred tax</b>		
Unrealised capital gains in unit-linked funds	261.5	243.3
Unrelieved expenses		
- Utilisation in the year	8.9	11.3
Capital losses		
- Utilisation in the year	-	2.1
- Adjustments in respect of prior year	0.1	(0.1)
DAC and DIR	(6.4)	(7.9)
Other items	-	0.4
<b>Total</b>	<b>264.1</b>	249.1
<b>Total tax charge for the year</b>	<b>619.5</b>	520.7
<b>Attributable to:</b>		
- Policyholders	<b>508.6</b>	442.0
- Shareholders	<b>110.9</b>	78.7
	<b>619.5</b>	520.7

The prior year adjustment of £2.1 million in current tax above represents a £2.4 million charge in respect of policyholder tax (2023: £1.3 million credit) and a £4.5 million credit in respect of shareholder tax (2023: £0.3 million credit). The prior year adjustment of £0.1 million in deferred tax above represents a credit of £nil in respect of policyholder tax (2023: £nil) and a debit of £0.1 million in respect of shareholder tax (2023: £0.1 million credit).

In arriving at the profit before tax attributable to shareholders' return, it is necessary to estimate the analysis of the total tax charge 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 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 Financial Statements (continued)

### 9. Income and Deferred taxes (continued)

#### Reconciliation of tax charge to expected tax

	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	<b>£'Million</b>	£'Million
Profit before tax	969.7	778.8
Tax attributable to policyholders' returns	(508.6)	(442.0)
<b>Profit before tax attributable to shareholders' returns</b>	<b>461.1</b>	336.8
Shareholder tax charge at corporate tax rate of 25.0% (2023: 23.5%)	115.3	79.1
<b>Expected shareholder tax</b>	<b>115.3</b>	79.1
<b>Effects of:</b>		
Adjustment in respect of prior periods		
- Current tax	(4.5)	(0.3)
- Deferred tax	0.1	(0.1)
<b>Total</b>	<b>(4.4)</b>	(0.4)
<b>Shareholder tax charge</b>	<b>110.9</b>	78.7
<b>Policyholder tax charge</b>	<b>508.6</b>	442.0
<b>Total tax charge for the year</b>	<b>619.5</b>	520.7

Tax calculated on profit before tax at 25.0% (2023: 23.5%) would amount to charge of £242.4 million (2023: £183.0 million charge). The difference of £377.1 million charge (2023: £337.8 million) between this number and the total tax charge of £619.5 million (2023: £520.7 million charge) is made up of the reconciling items above which total a credit of £4.4 million (2023: £0.4 million credit) and the effect of the apportionment methodology on tax applicable to policyholder returns which totals a charge of £381.5 million (2023: £338.2 million charge).

#### Future Tax Changes

There are no relevant enacted future tax changes.

## Notes to the Financial Statements (continued)

### 9. Income and Deferred taxes (continued)

#### Tax paid in the year

	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	<b>£'Million</b>	£'Million
Current tax charge for the year	355.4	271.6
Refunds due to be received in future years in respect of current year/ (Payments to be made)	4.1	(70.6)
Refunds received in current year in respect of prior periods	(42.7)	(39.7)
Other	(0.6)	1.5
<b>Tax paid</b>	<b>316.2</b>	162.8
Tax paid can be analysed as:		
- Taxes paid in UK	314.0	145.0
- Withholding taxes suffered on investment income received	2.2	17.8
<b>Total</b>	<b>316.2</b>	162.8

## Notes to the Financial Statements (continued)

### 9. Income and Deferred taxes (continued)

#### Deferred tax balances

#### Deferred tax liabilities

	Unrelieved expenses on life insurance business	Deferred acquisition costs (DAC)	Shareholder capital losses (available for future relief)	Unrealised capital gains on life insurance (BLAGAB) assets backing unit liabilities	Other temporary differences	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
At 1 January 2023	(37.5)	19.6	(2.1)	180.1	-	160.1
<b>Charge/(credit) to the Statement of Comprehensive Income</b>						
- Prior year adjustment	-	-	(0.1)	-	-	(0.1)
- Utilised and created in year	11.3	(7.9)	2.1	243.3	0.4	249.2
Total charge/(credit)	11.3	(7.9)	2.0	243.3	0.4	249.1
<b>At 31 December 2023</b>	<b>(26.2)</b>	<b>11.7</b>	<b>(0.1)</b>	<b>423.4</b>	<b>0.4</b>	<b>409.2</b>
<b>Charge/(credit) to the Statement of Comprehensive Income</b>						
- Prior year adjustment	-	-	0.1	-	-	0.1
- Utilised and created in year	8.9	(6.4)	-	261.5	-	264.0
Total charge/(credit)	8.9	(6.4)	0.1	261.5	-	264.1
<b>At 31 December 2024</b>	<b>(17.3)</b>	<b>5.3</b>	<b>-</b>	<b>684.9</b>	<b>0.4</b>	<b>673.3</b>

#### Expected utilisation period

As at 31 December 2023	5 years	3 years	-	6 years	9 years
<b>As at 31 December 2024</b>	<b>4 years</b>	<b>2 years</b>	<b>-</b>	<b>6 years</b>	<b>8 years</b>

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.

## Notes to the Financial Statements (continued)

### 10. Dividends

	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	<b>£'Million</b>	£'Million
Dividend paid in respect of previous financial year	<b>260.0</b>	315.0
Proposed dividend in respect of current financial year	<b>350.0</b>	260.0

The proposed dividend for the financial year is equivalent to £3.18 per share (2023: £2.36 per share).

### 11. Investments in Group undertakings

	Total £'Million
<b>Cost</b>	
At 1 January 2024	17.1
At 31 December 2024	17.1
<b>Provisions</b>	
At 1 January 2024	-
At 31 December 2024	-
<b>Net book value</b>	
<b>At 31 December 2024</b>	<b>17.1</b>
At 31 December 2023	17.1

### Subsidiary undertakings

SJPUK owns 100% of the equity share capital of St. James's Place International (Hong Kong) Limited 22079694, a company incorporated in Hong Kong at the address, 1/F Henley Building, 5 Queen's Road Central, Hong Kong. St. James's Place International (Hong Kong) Limited commenced trading as a long-term insurance business in March 2017.

## Notes to the Financial Statements (continued)

### 12. Financial investments, Investment property and Cash and cash equivalents

#### *Financial Investments*

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
<b>Market value</b>		
Equities	2,902.4	2,962.2
Investment in Collective Investment Schemes	125,495.3	108,863.5
<b>Total</b>	<b>128,397.7</b>	111,825.7

#### *Net assets held to cover unit liabilities*

Included within the Statement of Financial Position are the following assets and liabilities comprising the net assets held to cover unit liabilities.

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
<b>Market value</b>		
Investment property	892.3	1,110.3
Equities	2,902.4	2,962.2
Investment in Collective Investment Schemes	124,041.7	107,682.5
Cash and cash equivalents	110.1	200.1
Other Receivables (see Note 13)	278.5	349.7
<b>Total assets</b>	<b>128,225.0</b>	112,304.8
<b>Liabilities</b>		
Other Payables (see Note 17)	391.7	834.7
Derivative financial instruments	1.8	-
<b>Total Liabilities</b>	<b>393.5</b>	834.7
<b>Net assets held to cover linked liabilities</b>	<b>127,831.5</b>	111,470.1

Net assets held to cover linked liabilities 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 1.30 for further information on current and non-current disclosure.

## Notes to the Financial Statements (continued)

### 12. Financial investments, Investment property and Cash and cash equivalents (continued)

#### *Investment property*

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
<b>Balance at 1 January</b>	1,110.3	1,294.5
Capitalised expenditure on existing properties	15.8	10.1
Disposals	(230.5)	(149.4)
Changes in fair values	(3.3)	(44.9)
<b>Balance at 31 December</b>	<b>892.3</b>	1,110.3

The Company 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 Company's individual properties, or on the remittance of income or disposal proceeds.

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

- actively reviewing and monitoring the condition of the properties and maintaining appropriate repairs, capital works projects and investments;
- engaging professional legal advisors 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; and
- 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.

## Notes to the Financial Statements (continued)

### 12. Financial investments, Investment property and Cash and cash equivalents (continued)

#### *Investment property (continued)*

The historical cost of investment properties held at 31 December 2024 is £987.4 million (2023: £1,297.4 million). This represents the price paid for investment properties, prior to any subsequent revaluation.

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

	<b>Year ended 31 December 2024</b>	Year ended 31 December 2023
	<b>£'Million</b>	£'Million
Rental income	60.8	69.9
Direct operating expenses	9.5	5.0

At the year-end contractual obligations to purchase, construct or develop investment property amounted to £6.4 million (2023: £13.4 million). The most significant contractual obligation at 31 December 2024 was for refurbishment of a building in Manchester totalling £2.7 million.

Contractual obligations to dispose of investment property amounted to £28.0 million (2023: £nil 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.

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
Undiscounted contractual rental income to be received in:		
Year 1	45.7	64.6
Year 2	42.6	58.2
Year 3	38.3	52.3
Year 4	33.8	47.2
Year 5	29.9	41.8
Year 6 onwards	156.2	235.6
<b>Total undiscounted contractual rental income to be received</b>	<b>346.5</b>	499.7

## Notes to the Financial Statements (continued)

### 12. Financial investments, Investment property and Cash and cash equivalents (continued)

#### *Cash and cash equivalents*

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
Cash and cash equivalents not held to cover unit liabilities	142.4	99.5
Balances held to cover unit liabilities	110.1	200.1
<b>Total cash and cash equivalents</b>	<b>252.5</b>	299.6

All cash and cash equivalents are considered current.

#### *Investment in Collective Investment Schemes (CIS)*

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
Investment in CIS not held to cover unit liabilities	1,453.6	1,181.0
Balances held to cover unit liabilities	124,041.7	107,682.5
<b>Total investment in Collective Investment Schemes</b>	<b>125,495.3</b>	108,863.5

All investments in Collective Investment Schemes are considered current.

## Notes to the Financial Statements (continued)

### 13. Other Receivables

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
Amounts due from policyholders	76.2	256.1
Amounts due from intermediaries	99.0	90.6
Amounts owed by Group Undertakings	201.4	9.5
Corporation tax receivable	4.1	-
Other receivables	26.4	24.8
	407.1	381.0
Policyholder interests in receivables (see Note 12)	278.5	349.7
<b>Total receivables</b>	<b>685.6</b>	730.7
Current	484.3	730.7
Non-current	201.3	-
<b>Total</b>	<b>685.6</b>	730.7

All items within receivables meet the definition of financial assets. The fair value of those financial assets held at amortised costs is not materially different from amortised cost.

Amounts due from policyholders relate to outstanding policy-related settlement timings and fund tax deductions.

Amounts due from intermediaries relate to annual management charges due from policyholders.

Amounts owed by Group undertakings are interest-bearing (linked to Bank of England base rate plus margin). Included within in this balance is a loan including accrued interest of £201.3 million (2023: £nil) advanced to the Company's ultimate parent, St James's Place plc. The loan is unsecured with a variable interest rate and repayable after ten years.

Policyholder interests in receivables primarily relate to outstanding market trade settlements (sales) in the life unit-linked funds. These receivables are short-term.

## Notes to the Financial Statements (continued)

### 14. Prepayments and accrued income

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
Prepayment of operational readiness amortisation	122.1	135.7
Other prepayments	2.6	2.7
	<b>124.7</b>	138.4
Current	16.2	16.3
Non-current	108.5	122.1
<b>Total</b>	<b>124.7</b>	138.4

The Company has prepaid its share of the amortisation of the operational readiness prepayment to another Group entity. The operational readiness prepayment relates to the Bluedoor administration platform 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 new platform. Management has assessed that no reasonable 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.

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets

#### Risk

Insurance risk arises from inherent uncertainties as to the occurrence, amount and timing of insurance liabilities. The Company assumes insurance risk by issuing insurance contracts under which the Company agrees to compensate the client (or other beneficiary) if a specified future event (the insured event) occurs. The Company has insurance mortality and morbidity risks but has no longevity risk as we have never written any annuity business. The Company 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 Company 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 Company has quota share reinsurance on the UK insurance risk, with a low level of retention.
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.
Retention	Unexpected movement in future profit due to more (or less) clients than anticipated withdrawing their funds.	Retention of insurance contracts is closely monitored, and unexpected experience is investigated. Retention experience has continued in line with assumptions.

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets

#### Insurance contract liabilities

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

	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
	£'Million	£'Million	£'Million	£'Million
Balance at 1 January 2024	160.6	-	6.1	166.7
Insurance revenue	(14.3)	-	-	(14.3)
Insurance service expenses	-	-	14.4	14.4
Finance income from insurance contracts recognised in profit or loss	(2.2)	-	-	(2.2)
<b>Total changes in the Statement of Comprehensive Income</b>	<b>(16.5)</b>	<b>-</b>	<b>14.4</b>	<b>(2.1)</b>
Investment components excluded from Insurance revenue and insurance service expenses	(12.5)	-	24.3	11.8
Premiums received	14.9	-	-	14.9
Claims and other insurance service expenses paid	-	-	(43.3)	(43.3)
<b>Total cash flows</b>	<b>14.9</b>	<b>-</b>	<b>(43.3)</b>	<b>(28.4)</b>
<b>Balance at 31 December 2024</b>	<b>146.5</b>	<b>-</b>	<b>1.5</b>	<b>148.0</b>
Current				14.9
Non-current				133.1
<b>Total</b>				<b>148.0</b>

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets (continued)

#### Insurance contract liabilities (continued)

#### Reconciliation of the liability for remaining coverage and the liability for incurred claims (continued)

	Liability for remaining coverage		Liability for incurred claims <sup>1,2</sup>	Total <sup>1,2</sup>
	Excluding loss component <sup>1,2</sup>	Loss component		
	£'Million	£'Million		
Balance at 1 January 2023	165.8	-	6.1	171.9
Insurance revenue	(14.9)	-	-	(14.9)
Insurance service expenses <sup>1</sup>	-	-	15.2	15.2
Finance expense from insurance contracts recognised in profit or loss	2.7	-	-	2.7
<b>Total changes in the Statement of Comprehensive Income</b>	<b>(12.2)</b>	<b>-</b>	<b>15.2</b>	<b>3.0</b>
Investment components excluded from Insurance revenue and Insurance service expenses <sup>2</sup>	(9.3)	-	14.5	5.2
Premiums received <sup>2</sup>	16.3	-	-	16.3
Claims and other Insurance service expenses paid <sup>2</sup>	-	-	(29.7)	(29.7)
<b>Total cash flows</b>	<b>16.3</b>	<b>-</b>	<b>(29.7)</b>	<b>(13.4)</b>
<b>Balance at 31 December 2023</b>	<b>160.6</b>	<b>-</b>	<b>6.1</b>	<b>166.7</b>
Current				26.9
Non-current				139.8
				<b>166.7</b>

1 Restated to reclassify £15.2 million insurance service expenses from liability for remaining coverage (LRC) excluding loss component to liability for incurred claims (LIC), to better reflect the nature of the item.

2 Restated to better reflect the nature of the item resulting in: Investment components excluded from Insurance revenue and insurance service expenses £22.9 million negative in LRC excluding loss component to £9.3 million negative; Investment components excluded from insurance revenue and Insurance service expenses £nil in LIC to £14.5 million positive; Premiums received £16.3 million negative to £16.3 million positive; Claims and other Insurance service expenses paid £31.0 million positive to £nil in LRC excluding loss component; Claims and other Insurance service expenses paid £nil in LIC to £29.7 million negative.

All of the above resulted in a net nil impact on profit and net assets for the year.

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets (continued)

#### Insurance contract liabilities (continued)

#### Reconciliation of the measurement components

	Estimates of Risk adjustment		CSM	Total
	present value of future cash flows	for non- financial risk		
	£'Million	£'Million	£'Million	£'Million
Balance at 1 January 2024	151.8	4.6	4.2	160.6
Insurance service result	(13.1)	(0.9)	(0.3)	(14.3)
Finance income from insurance contracts recognised in profit or loss	(1.9)	(0.4)	0.1	(2.2)
<b>Total changes in the Statement of Comprehensive Income</b>	<b>(15.0)</b>	<b>(1.3)</b>	<b>(0.2)</b>	<b>(16.5)</b>
Investment components excluded from Insurance revenue and Insurance service expenses	(12.5)	-	-	(12.5)
Premiums received	14.9	-	-	14.9
Claims and other Insurance service expenses paid <sup>2</sup>	-	-	-	-
<b>Total cash flows</b>	<b>14.9</b>	<b>-</b>	<b>-</b>	<b>14.9</b>
<b>Balance at 31 December 2024</b>	<b>139.2</b>	<b>3.3</b>	<b>4.0</b>	<b>146.5</b>

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets (continued)

#### Insurance contract liabilities (continued)

	Estimates of Risk adjustment		CSM	Total <sup>1,2</sup>
	present value of future cash flows <sup>1</sup>	for non- financial risk		
	£'Million	£'Million	£'Million	£'Million
Balance at 1 January 2023	155.6	4.3	5.9	165.8
Insurance service result <sup>1</sup>	(13.3)	0.1	(1.7)	(14.9)
Finance expenses from insurance contracts recognised in profit or loss	2.5	0.2	-	2.7
<b>Total changes in the Statement of Comprehensive Income</b>	<b>(10.8)</b>	<b>0.3</b>	<b>(1.7)</b>	<b>(12.2)</b>
Investment components excluded from insurance revenue and Insurance service expenses <sup>2</sup>	(9.3)	-	-	(9.3)
Premiums received <sup>2</sup>	16.3	-	-	16.3
Claims and other Insurance service expenses paid <sup>2</sup>	-	-	-	-
<b>Total cash flows</b>	<b>16.3</b>	<b>-</b>	<b>-</b>	<b>16.3</b>
<b>Balance at 31 December 2023</b>	<b>151.8</b>	<b>4.6</b>	<b>4.2</b>	<b>160.6</b>

- Restated to reclassify £15.2 million insurance expenses from liability for remaining coverage (LRC) excluding loss component to liability for incurred claims (LIC), to better reflect the nature of the item.
- Restated to better reflect the nature of the item resulting in: Investment components excluded from Insurance revenue and Insurance service expenses £22.9 million negative in Estimates of present value of future cash flows to £9.3 million negative; Premiums received £16.3 million negative to £16.3 million positive; Claims and other Insurance service expenses paid £31.0 million positive to £nil in Estimates of present value of future cash flows.

All of the above resulted in a net nil impact on profit and net assets for the year.

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets (continued)

#### Insurance contract liabilities – Contractual service margin

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
Less than 1 year	<b>0.4</b>	0.5
In 2 to 5 years	<b>0.8</b>	1.0
>5 years	<b>2.8</b>	2.7
<b>Total CSM for insurance contracts</b>	<b>4.0</b>	4.2

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

#### Reinsurance assets

#### Reconciliation of the remaining coverage and incurred claims components

	<b>Remaining coverage component</b>	<b>Recoverable for claims reinsured</b>	<b>Total</b>
	<b>£'Million</b>	<b>£'Million</b>	<b>£'Million</b>
Balance at 1 January 2024	12.3	1.4	13.7
Net reinsurance expense	(14.6)	13.2	(1.4)
Finance income from reinsurance contracts recognised	0.6	-	0.6
<b>Total changes in the Statement of Comprehensive Income</b>	<b>(14.0)</b>	<b>13.2</b>	<b>(0.8)</b>
Premiums paid	10.8	-	10.8
Amounts received from reinsurers relating to incurred claims	-	(8.4)	(8.4)
<b>Total cash flows</b>	<b>10.8</b>	<b>(8.4)</b>	<b>2.4</b>
<b>Balance at 31 December 2024</b>	<b>9.1</b>	<b>6.2</b>	<b>15.3</b>
Current			6.8
Non-current			8.5
			<b>15.3</b>

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets (continued)

#### Reinsurance assets (continued)

#### Reconciliation of the remaining coverage and incurred claims components (continued)

	Remaining coverage component <sup>1,2</sup>	Recoverable for claims reinsured <sup>1,2</sup>	Total <sup>1,2</sup>
	£'Million	£'Million	£'Million
Balance at 1 January 2023	55.3	0.4	55.7
Net reinsurance expense <sup>1</sup>	(7.2)	4.9	(2.3)
Finance expense from reinsurance contracts recognised <sup>1</sup>	(6.3)	-	(6.3)
<b>Total changes in the Statement of Comprehensive Income</b>	<b>(13.5)</b>	<b>4.9</b>	<b>(8.6)</b>
Premiums paid	12.0	-	12.0
Reinsurance recapture	(41.5)	-	(41.5)
Amounts received from reinsurers relating to incurred claims <sup>2</sup>	-	(3.9)	(3.9)
<b>Total cash flows</b>	<b>(29.5)</b>	<b>(3.9)</b>	<b>(33.4)</b>
<b>Balance at 31 December 2023</b>	<b>12.3</b>	<b>1.4</b>	<b>13.7</b>
Current			2.8
Non-current			10.9
			<b>13.7</b>

- Restated to better reflect the nature of the item resulting in: Net reinsurance expense £2.3 million negative in Remaining coverage component to £7.2 million negative; Net reinsurance expense £nil in Recoverable for claims reinsured to £4.9 million positive; Finance expense from reinsurance contracts recognised £6.6 million negative to £6.3m negative.
- Restated to better reflect the nature of the item resulting in amounts received from reinsurers relating to incurred claims £4.6 million negative in Remaining coverage component to £nil; Amounts received from reinsurers relating to incurred claims from £nil to £3.9 million positive in Recoverable for claims reinsured.

All of the above resulted in a net nil impact on profit and net assets for the year.

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets (continued)

#### Reinsurance assets (continued)

#### Reconciliation of the measurement components

	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
	£'Million	£'Million	£'Million	£'Million
Balance at 1 January 2024	10.1	0.3	1.9	12.3
Net reinsurance expense	(14.4)	(0.1)	(0.1)	(14.6)
Finance income from insurance contracts recognised	0.5	0.1	-	0.6
<b>Total changes in the Statement of Comprehensive Income</b>	<b>(13.9)</b>	<b>-</b>	<b>(0.1)</b>	<b>(14.0)</b>
Premiums paid	10.8	-	-	10.8
<b>Total cash flows</b>	<b>10.8</b>	<b>-</b>	<b>-</b>	<b>10.8</b>
<b>Balance at 31 December 2024</b>	<b>7.0</b>	<b>0.3</b>	<b>1.8</b>	<b>9.1</b>

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets (continued)

#### Reinsurance assets (continued)

#### Reconciliation of the measurement components (components)

	Estimates of present value of future cash flows <sup>1,2</sup>	Risk adjustment for non- financial risk	CSM	Total <sup>1,2</sup>
	£'Million	£'Million	£'Million	£'Million
Balance at 1 January 2023	46.1	4.0	5.2	55.3
Net reinsurance expense <sup>1</sup>	(7.0)	(0.2)	-	(7.2)
Finance income from reinsurance contracts recognised <sup>1</sup>	0.5	(3.5)	(3.3)	(6.3)
<b>Total changes in the Statement of Comprehensive Income</b>	<b>(6.5)</b>	<b>(3.7)</b>	<b>(3.3)</b>	<b>(13.5)</b>
Premiums paid	12.0	-	-	12.0
Reinsurance recapture	(41.5)	-	-	(41.5)
Amounts received from reinsurers related to incurred claims <sup>2</sup>	-	-	-	-
<b>Total cash flows</b>	<b>(29.5)</b>	<b>-</b>	<b>-</b>	<b>(29.5)</b>
<b>Balance at 31 December 2023</b>	<b>10.1</b>	<b>0.3</b>	<b>1.9</b>	<b>12.3</b>

- Restated to better reflect the nature of the item resulting in: Net reinsurance expense £2.1 million negative in Estimate of present value of future cash flows to £7.0 million negative; Finance income from reinsurance contracts recognised from £0.2 million positive in estimate of present value of future cash flows to £0.5 million positive.
- Restated to better reflect the nature of the item resulting in amounts received from reinsurers relating to incurred claims £4.6 million negative in Estimates of present value of future cash flows to £nil.

All of the above resulted in a net nil impact on profit and net assets for the year

All reinsurance contracts are measured under the fair value approach.

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets (continued)

#### Reinsurance assets (continued)

##### Reinsurance assets – Contractual service margin

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
Less than 1 year	-	-
In 2 to 5 years	<b>0.1</b>	0.1
>5 years	<b>1.7</b>	1.8
<b>Total CSM for reinsurance contracts</b>	<b>1.8</b>	1.9

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

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets (continued)

#### Assumptions used in the calculation of Insurance contract liabilities and reinsurance assets

The principal assumptions used in the calculation of the liabilities are:

<b>Assumption</b>	<b>Description</b>								
<b>Interest rate</b>	The valuation interest rate is calculated bottom-up 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 (2023: 2.9% and 4.7%).								
<b>Mortality</b>	Mortality is based on Group experience and is set at 65% of the TM/F92 tables with an additional loading for smokers.								
<b>Morbidity – Critical Illness</b>	Morbidity is based on Group experience. There has been no change during 2024. Sample annual rates per £ for a male non-smoker are: <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;"><b>Age</b></th> <th style="text-align: right;"><b>Rate – 2023 and 2024</b></th> </tr> </thead> <tbody> <tr> <td>25</td> <td style="text-align: right;">0.063%</td> </tr> <tr> <td>35</td> <td style="text-align: right;">0.111%</td> </tr> <tr> <td>45</td> <td style="text-align: right;">0.266%</td> </tr> </tbody> </table>	<b>Age</b>	<b>Rate – 2023 and 2024</b>	25	0.063%	35	0.111%	45	0.266%
<b>Age</b>	<b>Rate – 2023 and 2024</b>								
25	0.063%								
35	0.111%								
45	0.266%								
<b>Morbidity – Permanent Health Insurance</b>	Morbidity is based on Group experience. There has been no change during 2024. Sample annual rates per £ income benefit for a male non-smoker are: <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;"><b>Age</b></th> <th style="text-align: right;"><b>Rate – 2023 and 2024</b></th> </tr> </thead> <tbody> <tr> <td>25</td> <td style="text-align: right;">0.228%</td> </tr> <tr> <td>35</td> <td style="text-align: right;">0.603%</td> </tr> <tr> <td>45</td> <td style="text-align: right;">1.308%</td> </tr> </tbody> </table>	<b>Age</b>	<b>Rate – 2023 and 2024</b>	25	0.228%	35	0.603%	45	1.308%
<b>Age</b>	<b>Rate – 2023 and 2024</b>								
25	0.228%								
35	0.603%								
45	1.308%								
<b>Expenses</b>	Contract liabilities are calculated allowing for the actual costs of administration of the business. <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="text-align: left;"><b>Product</b></th> <th colspan="2" style="text-align: center;"><b>Annual cost</b></th> </tr> <tr> <th style="text-align: center;"><b>31 December 2024</b></th> <th style="text-align: center;">31 December 2023</th> </tr> </thead> <tbody> <tr> <td>Onshore protection business</td> <td style="text-align: right;"><b>£35.69</b></td> <td style="text-align: right;">£35.11</td> </tr> </tbody> </table>	<b>Product</b>	<b>Annual cost</b>		<b>31 December 2024</b>	31 December 2023	Onshore protection business	<b>£35.69</b>	£35.11
<b>Product</b>	<b>Annual cost</b>								
	<b>31 December 2024</b>	31 December 2023							
Onshore protection business	<b>£35.69</b>	£35.11							
<b>Persistency</b>	Allowance is made for a best estimate level of lapses within the calculation of the liabilities. There was no change during 2024. Sample annual lapse rates are: <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="text-align: left;"><b>2023 and 2024</b></th> <th style="text-align: right;"><b>Lapse All durations</b></th> </tr> </thead> <tbody> <tr> <td>Onshore protection business</td> <td style="text-align: right;">9%</td> </tr> </tbody> </table>	<b>2023 and 2024</b>	<b>Lapse All durations</b>	Onshore protection business	9%				
<b>2023 and 2024</b>	<b>Lapse All durations</b>								
Onshore protection business	9%								
<b>Risk adjustment</b>	The risk adjustment is determined using a cost of capital approach with a 3% charge (2023: 3%). There has been no change during the period.								

## Notes to the Financial Statements (continued)

### 15. Insurance contract liabilities & Reinsurance assets (continued)

#### 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 reasonably 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/(loss) before tax	Change in profit/(loss) before tax	Change in net assets	Change in net assets
		2024	2023	2024	2023
	%	£'000	£'000	£'000	£'000
Interest rates	(1%)	(4.9)	(5.8)	(3.7)	(4.5)
Mortality/morbidity	10%	(0.9)	(1.5)	(0.6)	(1.1)

Profit shows little sensitivity to variations in withdrawal rates or mortality/morbidity as the protection book is largely reassured.

A change in interest rates will have no material impact on insurance profit or net assets.

The provision includes an amount to reflect the tax charges taken from the unit-linked policyholders but not yet due and payable to the UK tax authorities in respect of deemed gains on holdings in unit trusts.

## Notes to the Financial Statements (continued)

### 16. Capital management

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

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

The policy requires that each subsidiary manages its own capital, to maintain regulatory solvency.

#### Regulatory capital

The Group's capital management policy requires the Company to hold the higher of:

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

The Company is required to hold sufficient capital to meet the capital requirements under the Solvency II Regime. The Company held capital in excess of these requirements as shown below:

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
<b>Total shareholders' funds</b>	464.1	373.9
<b>Adjustments to regulatory basis:</b>		
Technical reserves	3,207.6	2,713.1
Deferred acquisition costs	(168.4)	(179.9)
Deferred income reserve	213.3	224.2
Deferred tax impact	(683.1)	(522.9)
Other	44.4	(12.4)
<b>Own funds pre proposed dividend</b>	<b>3,077.9</b>	2,596.0
<b>Solvency Capital Requirement</b>	1,782.8	1,450.2
Solvency ratio	172.6%	179.0%
Proposed dividend	(350.0)	(260.0)
<b>Free assets post proposed dividend</b>	<b>945.1</b>	885.8
Revised solvency ratio post proposed dividend	153.0%	161.1%

Under Solvency II, the technical provisions comprise a Best Estimate Liability (BEL) and a Risk Margin (RM). The Solvency II valuation methodology is outlined in the Group's Solvency and Financial Condition Report (SFCR) available on the Group's website.

## Notes to the Financial Statements (continued)

### 17. Other Payables

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
Payables arising out of direct insurance operations	171.4	131.2
Amounts owed to Group undertakings	42.8	17.5
Corporation tax payable	-	56.4
Accruals	65.0	56.3
Other Payables	2.7	2.9
	281.9	264.3
Policyholder interests in payables (See Note 12)	391.7	834.7
<b>Total payables</b>	<b>673.6</b>	1,099.0

All balances within payables are current.

Payables arising out of direct insurance operations relate to outstanding policy-related settlement timings.

Amounts owed to Group undertakings are unsecured, interest-free and repayable on demand.

Policyholder interests in payables primarily relate to outstanding market trade settlements (purchases) in the life unit-linked funds. These payables are short-term in nature and can vary significantly from period to period due to prevailing market conditions and underlying trading activity.

## Notes to the Financial Statements (continued)

### 18. Deferred acquisition costs & Deferred income

Deferred acquisition costs ("DAC") and deferred income ("DIR") developed over the current year as follows:

	DAC	DIR
	£'Million	£'Million
<b>Cost</b>		
At 1 January 2023	689.7	(1,044.0)
Additions	24.6	(70.0)
Disposals	(96.3)	61.9
<b>At 31 December 2023</b>	<b>618.0</b>	<b>(1,052.1)</b>
Additions	29.6	(74.3)
Disposals	(126.2)	88.9
<b>At 31 December 2024</b>	<b>521.4</b>	<b>(1,037.5)</b>
<b>Accumulated Amortisation</b>		
At 1 January 2023	486.8	(797.6)
Charge for the year	47.6	(92.3)
Eliminated on disposal	(96.3)	61.9
<b>At 31 December 2023</b>	<b>438.1</b>	<b>(828.0)</b>
<b>Charge for the year</b>	<b>41.1</b>	<b>(85.1)</b>
<b>Eliminated on disposal</b>	<b>(126.2)</b>	<b>88.9</b>
<b>At 31 December 2024</b>	<b>353.0</b>	<b>(824.2)</b>
<b>Net book value</b>		
At 1 January 2023	202.9	(246.4)
At 31 December 2023	179.9	(224.1)
<b>At 31 December 2024</b>	<b>168.4</b>	<b>(213.3)</b>
Current	33.5	(80.6)
Non-current	134.9	(132.7)
	<b>168.4</b>	<b>(213.3)</b>

## Notes to the Financial Statements (continued)

### 19. Share Capital

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
<b>Allotted, called up and fully paid</b>		
110,000,001 (2023: 110,000,001) Ordinary shares of £1 each	<b>110.0</b>	110.0

### 20. Financial risk

#### Risk management objectives and risk policies

The Company's financial risk can usefully be considered in two categories of assets:

- assets backing unit liabilities (see Note 12); and
- 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;
- liquidity risk;
- market risk; and
- 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 Company 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 Financial Statements (continued)

### 20. Financial risk (continued)

#### Risk management objectives and risk policies (continued)

Risk	Description	Management
Cash or expense requirement	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 at a Company level.
Reinsurance	Failure of counterparty 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 Company also seeks to diversify its reinsurance credit risk through the use of a spread of reinsurers.

**Liquidity risk** is the risk that the Company, 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 Company 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.

**Market risk** is the impact a fall in the value of equity or other asset markets may have on the business. The Company 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 Company 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.

## Notes to the Financial Statements (continued)

### 20. Financial risk (continued)

#### Risk management objectives and risk policies (continued)

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

Risk	Description	Management
Client liabilities	As a result of a reduction in equity values, the Company may be unable to meet client liabilities.	This risk is substantially mitigated by the Company'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 2024, 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 Company 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 Company is not subject to any significant direct **currency risk** since all material shareholder financial assets and financial liabilities are denominated in Sterling. However, since future profits are dependent on charges based on FUM, changes in FUM as a result of currency movements will impact future profits.

**Notes to the Financial Statements (continued)****20. Financial risk (continued)****SHAREHOLDER ASSETS****Categories of financial assets and financial liabilities**

The categories and carrying values of the financial assets and financial liabilities held in the Company'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.

**31 December 2024**

	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Financial liabilities measured at amortised cost	Total
	£'Million	£'Million	£'Million	£'Million
<b>Financial assets:</b>				
Investment in Collective Investment Schemes	1,453.6	-	-	1,453.6
Other Receivables	-	407.1	-	407.1
Cash and cash equivalents	-	142.4	-	142.4
<b>Total financial assets</b>	<b>1,453.6</b>	<b>549.5</b>	<b>-</b>	<b>2,003.1</b>
<b>Financial liabilities:</b>				
Other Payables	-	-	216.9	216.9
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>216.9</b>	<b>216.9</b>

**31 December 2023**

	Financial assets at fair value through profit and loss	Financial assets at amortised cost	Financial liabilities measured at amortised cost	Total
	£'Million	£'Million	£'Million	£'Million
<b>Financial assets:</b>				
Investment in Collective Investment Schemes	1,181.0	-	-	1,181.0
Other Receivables	-	319.6	-	319.6
Cash and cash equivalents	-	99.5	-	99.5
<b>Total financial assets</b>	<b>1,181.0</b>	<b>419.1</b>	<b>-</b>	<b>1,600.1</b>
<b>Financial liabilities:</b>				
Other Payables	-	-	151.6	151.6
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>151.6</b>	<b>151.6</b>

## Notes to the Financial Statements (continued)

### 20. Financial risk (continued)

#### SHAREHOLDER ASSETS (continued)

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

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

There are no shareholder income, expense, gains and losses arising from financial liabilities.

#### 31 December 2024

	Financial assets at fair value through profit and loss <sup>1</sup>	Financial assets at amortised cost <sup>2</sup>	Total
	£'Million	£'Million	£'Million
<b>Financial Assets:</b>			
Investment in Collective Investment Schemes	58.2	-	58.2
Other receivables	-	11.3	11.3
Cash and cash equivalents	-	5.1	5.1
<b>Total financial assets</b>	<b>58.2</b>	<b>16.4</b>	<b>74.6</b>

#### 31 December 2023

	Financial assets at fair value through profit and loss <sup>1</sup>	Financial assets at amortised cost <sup>2</sup>	Total
	£'Million	£'Million	£'Million
<b>Financial Assets:</b>			
Investment in Collective Investment Schemes	38.7	-	38.7
Other receivables	-	-	-
Cash and cash equivalents	-	5.4	5.4
<b>Total financial assets</b>	<b>38.7</b>	<b>5.4</b>	<b>44.1</b>

<sup>1</sup> All financial assets and liabilities at fair value through profit or loss are designated as such upon initial recognition.

<sup>2</sup> None of the change in the fair value of financial assets at fair value through profit and loss is attributable to changes in their credit risk.

## Notes to the Financial Statements (continued)

### 20. Financial risk (continued)

#### SHAREHOLDER ASSETS (continued)

##### Fair value estimation

Financial assets and liabilities, which are held at fair value in the Statement of Financial Position are required to have disclosed their fair value measurements by level of 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); and
- 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 Company's shareholder assets measured at fair value. There are no shareholder liabilities measured at fair value.

<b>31 December 2024</b>	Level 1	Level 2	Level 3	Total balance
	£'Million	£'Million	£'Million	£'Million
<b>Financial assets and investment properties:</b>				
Investment in Collective Investment Schemes <sup>1</sup>	1,453.6	-	-	1,453.6
<b>Total financial assets</b>	<b>1,453.6</b>	<b>-</b>	<b>-</b>	<b>1,453.6</b>

<b>31 December 2023</b>	Level 1	Level 2	Level 3	Total balance
	£'Million	£'Million	£'Million	£'Million
Financial assets and investment properties:				
Investment in Collective Investment Schemes <sup>1</sup>	1,181.0	-	-	1,181.0
<b>Total financial assets</b>	<b>1,181.0</b>	<b>-</b>	<b>-</b>	<b>1,181.0</b>

<sup>1</sup> All assets included as shareholder investment in Collective Investment Schemes are holdings of high-quality, highly liquid unithised money market Funds.

The fair value of financial instruments traded in active markets is based on quoted bid prices at the statement of financial position date, as described in Note 1 to these financial statements. These instruments are included in Level 1.

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

## Notes to the Financial Statements (continued)

### 20. Financial risk (continued)

#### SHAREHOLDER ASSETS (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:

<b>31 December 2024</b>	AAA	AA	A	BBB	Unrated	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Investments in Collective Investment Schemes <sup>1</sup>	1,189.3	-	-	-	264.3	1,453.6
Other Receivables	-	-	-	-	407.1	407.1
Cash and cash equivalents	-	-	142.4	-	-	142.4
<b>Total</b>	<b>1,189.3</b>	<b>-</b>	<b>142.4</b>	<b>-</b>	<b>671.4</b>	<b>2,003.1</b>

<b>31 December 2023</b>	AAA	AA	A	BBB	Unrated	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Investments in Collective Investment Schemes <sup>1</sup>	967.3	-	-	-	213.7	1,181.0
Other Receivables	-	-	-	-	319.6	319.6
Cash and cash equivalents	-	-	99.5	-	-	99.5
<b>Total</b>	<b>967.3</b>	<b>-</b>	<b>99.5</b>	<b>-</b>	<b>533.3</b>	<b>1,600.1</b>

<sup>1</sup> Assets included as shareholder investment in Collective Investment Schemes are holdings of high-quality, highly liquid unitised money market funds, as well as units held within St. James's Place unit trusts.

## Notes to the Financial Statements (continued)

### 20. Financial risk (continued)

#### SHAREHOLDER ASSETS (continued)

##### Contractual maturity and liquidity analysis

The following table sets out the contractual maturity analysis exposure of the Company's financial assets and liabilities:

<b>31 December 2024</b>	Up to 1 year	1 – 5 years	Over 5 years	Total
	£'Million	£'Million	£'Million	£'Million
<b>Financial Assets:</b>				
Investments in Collective Investment Schemes	1,453.6	-	-	1,453.6
Other Receivables	205.7	-	201.4	407.1
Cash and cash equivalents	142.4	-	-	142.4
<b>Total financial assets and investment properties</b>	<b>1,801.7</b>	<b>-</b>	<b>201.4</b>	<b>2,003.1</b>
<b>Financial Liabilities:</b>				
Other Payables	216.9	-	-	216.9
<b>Total financial liabilities</b>	<b>216.9</b>	<b>-</b>	<b>-</b>	<b>216.9</b>

<b>31 December 2023</b>	Up to 1 year	1 – 5 years	Over 5 years	Total
	£'Million	£'Million	£'Million	£'Million
<b>Financial Assets:</b>				
Investments in Collective Investment Schemes	1,181.0	-	-	1,181.0
Other Receivables	319.6	-	-	319.6
Cash and cash equivalents	99.5	-	-	99.5
<b>Total financial assets and investment properties</b>	<b>1,600.1</b>	<b>-</b>	<b>-</b>	<b>1,600.1</b>
<b>Financial Liabilities:</b>				
Other Payables	151.6	-	-	151.6
<b>Total financial liabilities</b>	<b>151.6</b>	<b>-</b>	<b>-</b>	<b>151.6</b>

##### 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. Cash held in unitised money market funds and at bank is valued at par and is unaffected by movement in interest rates. Other assets and liabilities are similarly unaffected by market movements.

As a result of these combined factors, the Company'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 Company's profit after tax. Future profits from annual management charges may be affected by movements in interest rates and equity values.

## Notes to the Financial Statements (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 12 and are held at fair value through profit or loss. 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:

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
<b>Financial assets and investment properties:</b>		
Investment properties	48.0	20.0
Other assets backing unit liabilities	14,183.2	11,894.3
<b>Total financial assets</b>	<b>14,231.2</b>	11,914.3
<b>Financial liabilities</b>		
Unit liabilities	14,221.6	11,927.1
<b>Total financial liabilities</b>	<b>14,221.6</b>	11,927.1

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.

Losses and gains have been recognised within the investment return line in the Statement of Comprehensive Income.

## Notes to the Financial Statements (continued)

### 20. Financial risk (continued)

#### UNIT LIABILITIES AND ASSOCIATED ASSETS (continued)

##### Fair value estimation

As set out on page 84, financial assets and liabilities which are held at fair value in the Statement of Financial Position are required to have disclosed their fair value measurements by level of the following fair value measurement hierarchy. The following table presents the Company's unit liabilities and associated assets measured at fair value:

<b>31 December 2024</b>	Level 1	Level 2	Level 3	Total balance
	£'Million	£'Million	£'Million	£'Million
<b>Financial assets and investment properties:</b>				
Investment properties	-	-	892.3	892.3
Equities	2,902.4	-	-	2,902.4
Fixed income securities	-	-	-	-
Investment in Collective Investment schemes	124,041.7	-	-	124,041.7
<b>Total financial assets</b>	<b>126,944.1</b>	<b>-</b>	<b>892.3</b>	<b>127,836.4</b>
<b>Financial liabilities:</b>				
Investment contract benefits	-	128,379.5	-	128,379.5
<b>Total financial liabilities</b>	<b>-</b>	<b>128,379.5</b>	<b>-</b>	<b>128,379.5</b>
<b>31 December 2023</b>	Level 1	Level 2	Level 3	Total balance
	£'Million	£'Million	£'Million	£'Million
Financial assets and investment properties:				
Investment properties	-	-	1,110.3	1,110.3
Equities	2,962.2	-	-	2,962.2
Fixed income securities	-	-	-	-
Investment in Collective Investment schemes	107,682.5	-	-	107,682.5
<b>Total financial assets</b>	<b>110,644.7</b>	<b>-</b>	<b>1,110.3</b>	<b>111,755.0</b>
Financial liabilities:				
Investment contract benefits	-	112,042.5	-	112,042.5
<b>Total financial liabilities</b>	<b>-</b>	<b>112,042.5</b>	<b>-</b>	<b>112,042.5</b>

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.

## Notes to the Financial Statements (continued)

### 20. Financial risk (continued)

#### UNIT LIABILITIES AND ASSOCIATED ASSETS (continued)

##### Fair value estimation (continued)

The Company 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.

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.

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, are used to determine fair value for the remaining financial instruments.

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

## Notes to the Financial Statements (continued)

### 20. Financial risk (continued)

#### UNIT LIABILITIES AND ASSOCIATED ASSETS (continued)

##### Fair value estimation (continued)

##### Transfers into/out of Level 3 portfolios

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 equities and investments in CIS occur when asset valuations can no longer be obtained from an observable market price i.e. become illiquid, in liquidation, suspended etc. The converse is true if an observable market price becomes available.

The following table presents the movement in investment properties during the year, which are the only assets classified in Level 3 of the fair value hierarchy:

	<b>2024</b>	2023
	<b>£'Million</b>	£'Million
Balance at 1 January	1,110.3	1,294.5
Additions during the year	15.8	10.1
Disposed during the year	(230.5)	(149.4)
Losses recognised in the income statement	(3.3)	(44.9)
<b>Balance at 31 December</b>	<b>892.3</b>	1,110.3
Realised (losses)	(95.3)	(39.0)
Unrealised gains / (losses)	92.0	(5.9)
<b>Losses recognised in the income statement</b>	<b>(3.3)</b>	(44.9)

Unrealised and realised losses for all Level 3 assets are recognised within investment return in the Statement of Comprehensive Income. There are no transfers between Level 2 and Level 3.

## Notes to the Financial Statements (continued)

### 20. Financial risk (continued)

#### UNIT LIABILITIES AND ASSOCIATED ASSETS (continued)

#### Fair value estimation (continued)

##### Level 3 valuations

The principal assets classified as Level 3 are investment properties amounting to £892.3m (2023: £1,110.3m). 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. The fair values derived are based on anticipated market values for the properties in accordance with the 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, an 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 to be reached on the attractiveness of a building, its location and the surrounding environment.

The following table sets out the unobservable inputs utilised in the valuation of the investment properties:

	Investment property classification			
	Offices	Industrial	Retail & leisure	All
<b>31 December 2024</b>				
<b>Gross ERV (per sq. ft)*</b>				
Range	£31.00 - £120.00	£5.50-£24.00	£1.86-£80.00	£1.86-£120.00
Weighted average	£49.70	£14.46	£13.96	£17.7
<b>True equivalent yield</b>				
Range	4.7% - 10.5%	4.8% - 7.0%	5.7% - 9.1%	4.7% - 10.5%
Weighted average	6.8%	5.6%	7.3%	6.3%
<b>31 December 2023</b>				
<b>Gross ERV (per sq. ft)*</b>				
Range	£29.50 - £110.00	£5.25-£24.00	£2.50-£97.54	£2.50-£110.00
Weighted average	£49.58	£13.74	£13.53	£16.89
<b>True equivalent yield</b>				
Range	4.7% - 10.3%	5.0% - 6.8%	6.2% - 13.9%	4.7% - 13.9%
Weighted average	7.0%	5.6%	7.8%	6.7%

\* Equivalent rental value (per square foot)

## Notes to the Financial Statements (continued)

### 20. Financial risk (continued)

#### UNIT LIABILITIES AND ASSOCIATED ASSETS (continued)

##### Fair value estimation (continued)

##### Sensitivity of Level 3 valuations

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 the associated movement in the policyholder liability and therefore would not impact on the shareholder net assets.

Investment property	Significant unobservable inputs	Carrying Value £'Million	Effect of reasonable possible alternative assumptions of the Statement of Financial Position	
			Favourable changes £'Million	Unfavourable changes £'Million
31 December 2024	Expected rental value / Relative yield	892.3	974.1	816.4
31 December 2023	Expected rental value / Relative yield	1,110.3	1,207.5	1,021.0

##### Credit risk

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

##### Contractual maturity and liquidity risk

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 Company also actively monitors fund liquidity.

##### Sensitivity analysis to market risks

The majority of the Company'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 Company's approach to matching assets and liabilities.

## Notes to the Financial Statements (continued)

### 21. Related parties

The Company's related parties include the key management personnel and companies within the St. James's Place Group.

#### Transactions with key management personnel

Key management personnel have been defined as the Board of Directors and members of the Executive Committee. There were no transactions with the Board of Directors other than those disclosed in Note 8.

The aggregate emoluments of the key management personnel in the year were £1.0 million. The aggregate contributions of key management personnel into a defined contribution pension scheme in the year totalled £58.3 million and cash supplements in lieu of a defined contribution pension totalled £0.2 million. Remuneration of Key Management Personnel was exempt from disclosure in 2023, as these individuals were all directors. Directors' remuneration is disclosed in Note 8.

	<b>31 December 2024</b>
	<b>£'Million</b>
<b>Key management Personnel Compensation</b>	
Short-term employee benefits	1.6
Post-employment benefits	0.1
Share based payments	0.1
<b>Total</b>	<b>1.8</b>

#### Other related parties

The total value of St. James's Place funds under management held by directors and their connected parties of the Company as at 31 December 2024 was £6.6 million (2023: £20.2 million).

The amounts owed to and receivable from Group companies as at 31 December are as follows:

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
<i>Intra-Group receivables</i>		
St James's Place plc	201.3	-
St. James's Place Unit Trust Group Limited	-	9.5
St. James's Place (Hong Kong) Limited	0.1	-
<b>Total</b>	<b>201.4</b>	9.5

## Notes to the Financial Statements (continued)

### 21. Related parties (continued)

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
<i>Intra-Group payables</i>		
St. James's Place Management Services Limited	16.3	4.8
St. James's Place Unit Trust Group Limited	5.8	-
St. James's Place Wealth Management plc	20.2	12.5
Rowan Dartington & Company Limited	0.2	-
St. James's Place Wealth Management (Shanghai) Limited	0.1	0.1
St James's Place (Dubai) Limited	0.1	-
St. James's Place (Singapore) Private Limited	0.1	0.1
<b>Total</b>	<b>42.8</b>	17.5

### Transactions with related parties

The Company is party to a Distribution Agreement with St. James's Place Wealth Management plc ("SJPWM") whereby SJPWM has agreed to market and distribute the Company's products through the Group's UK distribution network (The St. James's Place Partnership), and in other territories as provided for under the agreement, which includes the provision of advice by Partners to their clients in accordance with the agreement. SJPUK has agreed to facilitate the payment of advice charges from the client to SJPWM for this activity where this is provided for in the relevant SJPUK product, and otherwise remunerate SJPWM for this activity through the payment of commission. During 2024 a total amount of £858.6 million (2023: £757.1 million) was paid to SJPWM under the terms of the agreement.

The Company is a party to a management services agreement with St. James's Place Management Services Limited ('SJPMs'), whereby certain staff members of SJPMs provide specified management services in accordance with the terms of the agreement. A total amount of £157.4 million was charged under the agreement in 2024 (2023: £145.6 million).

## Notes to the Financial Statements (continued)

### 21. Related parties (continued)

In addition, the Company invests in 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.

The Company's holdings in unit trusts managed by St. James's Place Unit Trust Group Limited are:

	<b>31 December 2024</b>	31 December 2023
	<b>£'Million</b>	£'Million
St. James's Place Asia Pacific Unit Trust	1,110.8	1,478.9
St. James's Place Balance InRetirement Unit Trust	1,126.4	840.1
St. James's Place Balanced Managed Unit Trust	4,815.7	5713.1
St. James's Place Continental European Unit Trust	351.4	358.8
St. James's Place Corporate Bond Unit Trust	869.3	960.6
St. James's Place Diversified Assets (FAIF) Unit Trust	1,685.3	2018.1
St. James's Place Diversified Bond Unit Trust	1,371.9	1,756.3
St. James's Place Emerging Markets Equity Unit Trust	2,027.9	2,022.6
St. James's Place Global Government Bond	780.8	265.9
St. James's Place Global Absolute Return Unit Trust*	3,093.2	4,385.5
St. James's Place Global Emerging Markets Unit Trust	300.6	374.5
St. James's Place Global Equity Unit Trust	9,794.5	10,178.2
St. James's Place Global Government Inflation Linked Bond	269.3	211.9
St. James's Place Global Growth Unit Trust	5,148.3	5,247.7
St. James's Place Global High Yield Bond Unit Trust	1,766.5	2,073.8
St. James's Place Global Quality Unit Trust	6,325.2	7,438.8
St. James's Place Global Smaller Companies Unit Trust	287.5	354.1
St. James's Place Global Unit Trust	983.8	1,098.7
St. James's Place Global Value Unit Trust	7,394.1	7,946.3
St. James's Place Greater European Progressive Unit Trust	534.6	780.8
St. James's Place Growth InRetirement Unit Trust	1,858.5	1,200.6
St. James's Place International Equity Unit Trust	5,324.3	4,706.5
St. James's Place Investment Grade Corporate Bond Unit Trust	2,048.8	2,353.3
St. James's Place Japan Unit Trust	219.9	284.2
St. James's Place Managed Growth Unit Trust	4,933.2	5,612.4
St. James's Place Money Market Unit Trust	-	130.1
St. James's Place North American Unit Trust	3036.6	3,243.3
St. James's Place Polaris 1 Unit Trust	818.6	440.8
St. James's Place Polaris 2 Unit Trust	8,341.7	4,319.9
St. James's Place Polaris 3 Unit Trust	21,914.4	8,701.0
St. James's Place Polaris 4 Unit Trust	11,485.3	4,537.4
St. James's Place Prudence InRetirement Unit Trust	194.8	163.4
St. James's Place Strategic Income Unit Trust	1,716.5	2,238.3
St. James's Place Strategic Managed Unit Trust	3,701.0	4,325.9
St. James's Place Sustainable & Responsible Equity Unit Trust	3,382.3	3,650.7
St. James's Place UK & General Progressive Unit Trust	1,830.0	2,082.5
St. James's Place UK & International Income Unit Trust	1,508.9	1,790.0
St. James's Place Worldwide Income Unit Trust	710.7	911.7
	<b>123,062.6</b>	106,196.7

## **Notes to the Financial Statements (continued)**

### **21. Related parties (continued)**

During the year the total value of net transactions with related unit trusts was £1.04 billion (2023: £0.6 billion), these transactions were on standard terms.

### **22. Ultimate parent undertaking and controlling party**

The Company regarded by the Directors as the immediate parent company is St. James's Place Wealth Management Group Limited, a company registered in England and Wales.

The Company regarded by the Directors as the ultimate parent company is St. James's Place plc, a company registered in England and Wales. It is also the parent undertaking of the smallest and largest group of undertakings for which Group financial statements are drawn up and of which the Company is a member.

Copies of the Consolidated Financial Statements of St. James's Place plc may be obtained from the Company Secretariat at St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP.

In the opinion of the Directors, St. James's Place plc is considered to be the ultimate controlling party.