

St. James's Place International Assurance Group Limited

**Directors' report and financial statements
for the year ended 31 December 2010**

Registered no. 2727326

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St. James's Place International Assurance Group Limited

Directors' report and financial statements for the year ended 31 December 2010

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St. James's Place International Assurance Group Limited

Directors and other information

Directors

Mr A Croft
Mr H Gladman

Auditor

PricewaterhouseCoopers
Chartered Accountants
One Spencer Dock
North Wall Quay
Dublin 1
Ireland

Secretary and registered office

St James's Place Administration Limited
St James's Place House
1 Tetbury Road
Cirencester
Gloucestershire
GL7 1FP
UK

Bankers

The Royal Bank of Scotland
32 Market Place
Cirencester
Gloucestershire
GL7 2NU
UK

St. James's Place International Assurance Group Limited

Directors' report for the year ended 31 December 2010

The directors present their report and the audited financial statements for the year ended 31 December 2010, which are stated in sterling

Principal activities and future developments

The company is a financial services holding company. The group is engaged in life assurance and pension business in Europe.

Results and business review

The profit and loss account for the year is set out on page 8.

The company made a profit after tax of £41k (2009: £41k). This profit has been transferred to reserves.

Dividend

No dividend was paid in 2010 (2009: £14.4m). The directors have not declared a final dividend (2009: Nil).

Investment in subsidiaries

Details of investments in subsidiary undertakings are given in note 5 to the financial statements.

In the opinion of the directors, the aggregate value of investments in subsidiaries is not less than the amount at which they are stated in the accounts.

Directors

The directors of the company are listed on page 2. There were no changes during the year.

Insurance for directors

The SJP group maintains insurance for the directors of St James's Place International Assurance Group Limited in respect of their duties as directors of the company.

Subsequent events

There were no significant subsequent events.

St. James's Place International Assurance Group Limited

Directors' report (continued) for the year ended 31 December 2010

Directors' interests

The directors have no beneficial interest in the shares of the company.

The interests of Mr Croft in the shares of Lloyds Banking Group plc, the company's ultimate parent undertaking at 31 December 2010, and St James's Place plc ("SJP plc"), the company's parent undertaking, have been disclosed in the consolidated financial statements of SJP plc.

Employees

The company has no employees.

Taxation status

In the opinion of the directors, the company was not a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information

Auditor

In accordance with section 384 of the Companies Act 1985, a resolution for the re-appointment of PricewaterhouseCoopers as auditor to the company is to be proposed at the forthcoming Annual General Meeting



Secretary

St James's Place Administration Limited
1 Tetbury Road
Cirencester

15 March 2011

St. James's Place International Assurance Group Limited

Statement of directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable UK Law and Generally Accepted Accounting Practice in the UK, including the accounting standards issued by the Accounting Standards Board and published by the Institute of Chartered Accountants in England and Wales

UK company law requires the Directors to prepare Financial Statements for each financial year which 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
- Make judgements and estimates that are reasonable and prudent
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The Directors confirm that they have complied with the above requirements in preparing the Financial Statements

The Directors are responsible for keeping proper books of account that disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the Financial Statements are prepared in accordance with accounting standards generally accepted in the UK and with UK statute comprising the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

By order of the Board



Secretary

15 March 2011

St. James's Place Administration Limited

INDEPENDENT AUDITORS' REPORT

To the shareholders of St. James's Place International Assurance Group Limited

We have audited the financial statements of St James's Place International Assurance Group Limited for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted accounting practice)

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2010 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom generally accepted accounting practice, and
- have been prepared in accordance with the requirements of the Companies Act, 2006

INDEPENDENT AUDITORS' REPORT

Opinion on other matter prescribed by the Companies Act, 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act, 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept,
- the financial statements are not in agreement with the accounting records,
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Paraic Joyce (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers
Chartered Accountants and Statutory Auditors
Dublin

15 March 2011

St. James's Place International Assurance Group Limited

Profit and loss account for the year ended 31 December 2010

	Notes	2010 £'000	2009 £'000
Turnover		-	-
Administration expenses		-	-
Dividend received		-	14,400
Profit on ordinary activities before taxation	2	-	14,400
Tax on profit on ordinary activities	4	41	41
Profit after tax for the year		41	14,441
Dividend paid		-	(14,400)
Profit retained for the year		41	41

All activities are continuing

The company has no other recognised gains and losses and therefore a separate statement of total recognised gains and losses has not been presented

The notes on pages 10 to 15 are an integral part of these financial statements

St. James's Place International Assurance Group Limited

Balance sheet as at 31 December 2010

	Notes	2010 £'000	2009 £'000
Investments	5	21,239	19,239
Current assets			
Cash at bank and in hand		138	138
Other debtors		41	41
		179	179
Creditors: amounts falling due within one year	6	(10,857)	(8,898)
Net current liabilities		(10,678)	(8,719)
Net assets		10,561	10,520
Capital and reserves			
Called up share capital	7	11,247	11,247
Profit and loss account	9	(686)	(727)
Shareholder's funds	8	10,561	10,520

The financial statements on pages 8 to 15 were approved by the Board of Directors on 15 March 2011 and were signed on its behalf by:



Director

The notes on pages 10 to 15 are an integral part of these financial statements

St. James's Place International Assurance Group Limited

Notes to the financial statements for the year ended 31 December 2010

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards. A summary of the more important accounting policies, which have been applied consistently, is set out below.

The company has taken advantage of the exemption permitted under FRS1 (Revised) not to prepare a cash flow statement as it is a wholly owned subsidiary of St James's Place plc, which prepares a consolidated cash flow statement dealing with the cash flows of the group.

Basis of accounting

The financial statements have been prepared under the historical cost convention.

In accordance with Section 228 of the Companies Act 1985 the company is exempt from the requirement to prepare group accounts as it is itself a subsidiary consolidated in the accounts of a larger group. The parent undertaking is St. James's Place plc, a company registered in England and Wales.

The financial statements present information about the company as an individual undertaking and not as a group. In the opinion of the directors the value of investments in subsidiary undertakings not dealt with in the group accounts, including amounts owing by such subsidiary undertakings, is not less than the aggregate amount at which they are shown in the company's balance sheet.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

Deferred taxation

Deferred tax is recognised, without discounting, for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

Investments

Investments are stated at cost less impairment, if any. Details of investments are given in note 5 to the financial statements. In the opinion of the directors the aggregate value of the investments is not less than the amount at which they are stated in the accounts.

St. James's Place International Assurance Group Limited

Notes to the financial statements for the year ended 31 December 2010

2 Profit on ordinary activities before taxation

Profit on ordinary activities
is stated after charging:

	2010 £'000	2009 £'000
Auditors' remuneration	-	-

The auditors' remuneration for the years ended 31 December 2010 and 2009 has been borne by St James's Place Management Services Limited and is disclosed in the accounts thereof

3 Directors' emoluments

None of the directors received any emoluments in respect of their services to the company for the year (2009 - £nil).

The number of directors to whom retirement benefits are accruing is 2 (2009: 2). The benefits are accruing in St James's Place UK plc, a fellow subsidiary company.

The number of directors who exercised options during the year is 2 (2009: 2).

4 Taxation

	2010 £'000	2009 £'000
Current Tax	41	41
Deferred Tax	-	-
	<u>41</u>	<u>41</u>
Profit on ordinary activities before taxation	-	14,000
Corporation tax at 28% (2009: 28%)	-	4,032
Less		
Relief for tax on overseas dividend (FA 2009 Sch 14)	-	(4,032)
Plus		
Credit received in respect of group relief for current year	41	41
Current year tax credit	<u>41</u>	<u>41</u>

St. James's Place International Assurance Group Limited

Notes to the financial statements for the year ended 31 December 2010

5 Investments

Shares in group undertakings

	2010 £'000	2009 £'000
<i>Cost and net book value</i>		
At 1 January 2010	19,239	19,239
Additions	2,000	-
At 31 December 2010	<u>21,239</u>	<u>19,239</u>

In 2010, the Company provided £2m (2009: nil) by way of an unconditional capital contribution to St James's Place Reinsurance Limited

The company holds 100% of the equity share capital of the following companies, all of which are incorporated in the Republic of Ireland

Company	Business
St James's Place International plc	Life, pension and health assurance
St James's Place Reinsurance Limited	Reinsurance
Nascent Life Limited	Non-trading
St James's Place International Administration Limited	Property rental

St. James's Place International Assurance Group Limited

Notes to the financial statements for the year ended 31 December 2010

6 Creditors: amounts falling due within one year

	2010 £'000	2009 £'000
Amounts owed to group undertakings		
Loan from immediate parent undertaking	1,101	1,101
Loan from St James's Place Management Services Ltd	8,212	6,212
St. James's Place Management Services Ltd.	1,544	1,585
	<u>10,857</u>	<u>8,898</u>

Loan from immediate parent undertaking

The company has a loan of £1,101,000 (2009 £1,101,000) from its immediate parent undertaking, St James's Place Wealth Management Group plc. The loan is unsecured, interest free and is repayable within three months of notice being given by either party. No such notice had been received as at the date of these financial statements.

Loan from group undertaking

The company has a loan of £8,212,000 (2009 £6,212,000) from another group undertaking, St James's Place Management Services Limited. The loan is unsecured, interest free and is repayable within three months of notice being given by either party. No such notice had been received as at the date of these financial statements.

The company also has an intercompany balance of £1,544,000 (2009 £1,585,000) with St James's Place Management Services Limited. The balance is unsecured, interest free and is repayable within three months of notice being given by either party. No such notice had been received as at the date of these financial statements. £41,000 of the balance was repaid during 2010 (2009: £148,000).

7 Share capital

	2010 £	2009 £
Authorised		
11,250,670 ordinary shares of £1 each	11,250,670	11,250,670
	<u>11,250,670</u>	<u>11,250,670</u>

St. James's Place International Assurance Group Limited

Notes to the financial statements for the year ended 31 December 2010

7 Share capital (continued)

	2010 £	2009 £
Allotted, called up and fully paid		
<i>Equity Interests</i>		
11,247,420 ordinary shares of £1 each	11,247,420	11,247,420
	<u>11,247,420</u>	<u>11,247,420</u>

8 Reconciliation of movement in shareholder's funds

	2010 £'000	2009 £'000
Profit for the financial year	<u>41</u>	<u>41</u>
Net increase in shareholder's funds	41	41
Opening shareholder's funds	10,520	10,479
Closing shareholder's funds	<u>10,561</u>	<u>10,520</u>

9 Reserves

	2010 £'000	2009 £'000
Profit and loss account: equity interests		
At 1 January	(727)	(768)
Retained profit for the year	41	41
At 31 December	<u>(686)</u>	<u>(727)</u>

St. James's Place International Assurance Group Limited

Notes to the financial statements for the year ended 31 December 2010

10 Ultimate parent undertaking

Lloyds Banking Group plc was the ultimate parent company at 31 December 2010

The parent undertaking of the smallest group in which the results of the company are consolidated is St James's Place plc, a company registered in England and Wales, copies of whose consolidated accounts may be obtained from the Company Secretary, St James's Place plc, 1 Tetbury Road, Cirencester, Gloucestershire GL7 1FP, England

11 Related party transactions

The company has availed of the exemption from disclosure of related party transactions with companies within the group whose parent company is St. James's Place plc on the basis that greater than 90 per cent of the company's voting rights are controlled within the group.

12 Approval of the financial statements

The financial statements were approved by the board on 15 March 2011