

Registered number: 02706684

ST. JAMES'S PLACE (PCP) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2014

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ST. JAMES'S PLACE (PCP) LIMITED

COMPANY INFORMATION

DIRECTORS	D C Bellamy A M Croft D J Lamb I S Gascoigne (appointed 17 December 2014)
COMPANY SECRETARY	St James's Place Corporate Secretary Limited
REGISTERED NUMBER	02706684
REGISTERED OFFICE	St James's Place House 1 Tetbury Road Cirencester GL7 1FP
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Temple Quay Avon Street Bristol BS2 0FR

ST JAMES'S PLACE (PCP) LIMITED

CONTENTS

	Page
Directors' Report	1 - 2
Strategic Report	3 - 4
Directors' Responsibilities Statement	5
Independent Auditors' Report	6 - 7
Profit and Loss Account	8
Balance Sheet	9
Notes to the Financial Statements	10 - 15

ST JAMES'S PLACE (PCP) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors present their report and the audited financial statements for the year ended 31 December 2014

PRINCIPAL ACTIVITIES

The Company purchases, services and sells the rights to future income streams on business originally written by other companies within the St James's Place plc group ('the Group')

RESULTS AND DIVIDENDS

The profit for the financial year, amounted to £518,376 (2013 - £519,501)

The Directors have not declared a dividend during the year and no final dividend is recommended by the Board

DIRECTORS

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

D C Bellamy
A M Croft
H J Gladman (resigned 17 December 2014)
D J Lamb
I S Gascoigne (appointed 17 December 2014)

EMPLOYEES

The Company has no employees (2013 - 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 or its subsidiaries. All members of the Board of SJP and other senior employees who act as Directors of subsidiary companies are each granted indemnities whilst acting in their capacity as Directors or officers to the extent permitted by law. These indemnities are uncapped in amount and protect recipients from certain losses and liabilities that they may incur to third parties in connection with the furtherance of their duties as Directors or officers of SJP or its subsidiary companies. Copies of the indemnities are available to shareholders upon request. This is a qualifying third party indemnity provision and was in force during the financial year and at the date of approval of the financial statements.

MATTERS COVERED IN THE STRATEGIC REPORT

Future developments and financial risk management are both referred to in the Strategic Report set out on page 3 to 4

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that

- so far as that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information

ST JAMES'S PLACE (PCP) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2014**

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP has indicated its willingness to continue in office, and therefore PricewaterhouseCoopers LLP is deemed to be reappointed as auditor to the Company in accordance with an elective resolution made under section 386 of the Companies Act 1985, which continues in force under the Companies Act 2006

This report was approved by the Board on 10 September 2015 and signed on its behalf

A handwritten signature in black ink, appearing to read 'A M Croft', with a stylized flourish at the end.

A M Croft
Director

ST. JAMES'S PLACE (PCP) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

INTRODUCTION

The Company is a wholly-owned subsidiary of St James's Place Wealth Management Group plc, which in turn is a wholly-owned subsidiary of St James's Place plc

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

The Company has purchased the rights to future income streams during the year. The Company has serviced and received income from these income streams.

The income streams purchased are for business originally written by other companies within the St James's Place plc Group.

During the year, the Company purchased 2 income streams (2013: 2).

The future development plan of the Company is to continue to purchase, service and sell the right to the future income streams on business originally written by other companies within St James's Place plc group.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company operates within the St James's Place Group 'Risk Management Framework' as described in the St James's Place plc Annual Report and Accounts. This 'Risk Management Framework' describes the risk management policies and procedures that are applicable to the Company. The principal risks and uncertainties facing the St James's Place Group are set out in the consolidated financial statements of St James's Place plc Annual Report and Accounts.

The principal risks and uncertainties facing the Company are the persistency of the policies from which the Company has the right to future income streams, and decreases in funds under management that would result in decreased future income on these policies. These risks are mitigated by the support of other companies within the Group.

FINANCIAL KEY PERFORMANCE INDICATORS

The Directors of St James's Place plc manage the Group's operations on a Group basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of St James's Place Partnership Services Limited. The development, performance and position of St James's Place plc, which includes the Company, is discussed in the Group's Annual Report, copies of which can be obtained from the address shown in the ultimate controlling party note at the bottom of these financial statements.

ST JAMES'S PLACE (PCP) LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2014**

GOING CONCERN

Going concern has been evaluated by the Directors of the Company. They concluded that it was reasonable to expect the Company to continue to act as an income stream holding Company for a period of not less than 12 months from the date of signing the financial statements.

This report was approved by the Board on 10 September 2015 and signed on its behalf

A handwritten signature in black ink, appearing to read 'A M Croft', with a stylized flourish at the end.

**A M Croft
Director**

ST JAMES'S PLACE (PCP) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

The Directors are responsible for preparing the Directors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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 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 enable them to ensure that the financial statements comply with 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.

ST JAMES'S PLACE (PCP) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST JAMES'S PLACE (PCP) LIMITED

Report on the financial statements

Our opinion

In our opinion, St James's Place (PCP) Limited's financial statements (the "financial statements")

- give a true and fair view of the state of the company's affairs as at 31 December 2014 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
-

What we have audited

The financial statements comprise

- the Balance Sheet as at 31 December 2014,
- the Profit and Loss Account for the year then ended, and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit, or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. JAMES'S PLACE (PCP) LIMITED

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

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 and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & 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

What an audit of financial statements involves

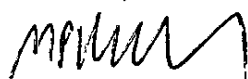
We conducted our audit in accordance with ISAs (UK & Ireland) An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error 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

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both

In addition, we read all the financial and non-financial information in the Directors' Report and financial statements (the "Annual Report") to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report



Mike Vickery (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
2 Glass Wharf
Temple Quay
Avon Street
Bristol
BS2 0FR

10 September 2015

ST. JAMES'S PLACE (PCP) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2014**

	Note	2014 £	2013 £
TURNOVER	2	1,087,223	1,111,069
Cost of sales	2	<u>(441,342)</u>	<u>(447,224)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		645,881	663,845
Tax on profit on ordinary activities	5	<u>(127,505)</u>	<u>(144,344)</u>
PROFIT FOR THE FINANCIAL YEAR	10	<u>518,376</u>	<u>519,501</u>

All amounts relate to continuing operations

There were no recognised gains and losses for 2014 or 2013 other than those included in the Profit and Loss Account

There are no material differences between the profit on ordinary activities before taxation and the retained profit for the financial year stated above and their historical cost equivalents

The notes on pages 10 to 15 form part of these financial statements

ST JAMES'S PLACE (PCP) LIMITED
REGISTERED NUMBER: 02706684

BALANCE SHEET
AS AT 31 DECEMBER 2014

	Note	£	2014 £	£	2013 £
CURRENT ASSETS					
Current assets to be realised after one year	6	1,078,526		1,102,251	
Current assets to be realised within one year	6	5,574,618		5,802,177	
		<u>6,653,144</u>		<u>6,904,428</u>	
CREDITORS amounts falling due within one year	7	<u>(2,170,878)</u>		<u>(2,930,538)</u>	
NET CURRENT ASSETS			<u>4,482,266</u>		<u>3,973,890</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,482,266</u>		<u>3,973,890</u>
CREDITORS: amounts falling due after more than one year	8		<u>-</u>		<u>(10,000)</u>
NET ASSETS			<u><u>4,482,266</u></u>		<u><u>3,963,890</u></u>
CAPITAL AND RESERVES					
Called up share capital	9		100		100
Profit and loss account	10		<u>4,482,166</u>		<u>3,963,790</u>
TOTAL SHAREHOLDERS' FUNDS	11		<u><u>4,482,266</u></u>		<u><u>3,963,890</u></u>

The financial statements on pages 8 to 15 were approved by the Board of Directors 10 September 2015 and signed on its behalf



A M Croft
Director

The notes on pages 10 to 15 form part of these financial statements

ST JAMES'S PLACE (PCP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

As the Company is a wholly-owned member of the group headed by St James's Place plc, the Company has taken advantage of the exemption contained within FRS 8 and has therefore not disclosed transactions with entities which form part of the Group.

1.2 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover represents commissions earned by the Company from income streams purchased by the Company, in addition to the sale proceeds on disposal of such income streams.

1.4 Cost of sales

Cost of sales represents the change in value of books of purchased income streams between the beginning and end of the financial year net of consideration paid for additions.

1.5 PCP books of purchased income streams

PCP books of purchased income streams are stated at the lower of cost and the value placed on them. Valuations are based on the present value of the future expected income streams and are derived by adopting the key assumptions set out below.

Lapse rate – Future income streams are projected making use of persistency assumptions derived from the Company's own experience or, where insufficient data exists, from external industry experience. These assumptions are reviewed on an annual basis.

Economic assumptions of 5.0% (2013 - 6.2%) and 4.2% (2013 - 5.4%) are made in respect of the discount rate and investment return. The investment return for gilts (the risk free rate) has been set by reference to the yield on ten year gilts. The investment returns for the other main investment classes i.e. equities, property and cash have been set by adding appropriate margins for risk to the risk free rate. The investment return assumption used in the valuations is the weighted average of the returns in each investment class (weighted by fund size).

Finally, an additional allowance of 0.8% (2013 - 0.8%) for non-market risk has been made by increasing the risk discount rate (above the investment return assumption).

ST. JAMES'S PLACE (PCP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

1. ACCOUNTING POLICIES (continued)

1.6 Deferred consideration

Where the acquisition of a new income stream by the Company requires payments of contingent deferred consideration, the Company recognises the deferred consideration as the maximum potential cost that could be paid under the terms of the contract and revisits when subsequent payments are made

If the conditions of the contingent deferred consideration are not met The Company will reduce the cost by the amount of the contingent deferred consideration and consider impairment of the purchased income streams

2. TURNOVER AND COST OF SALES

	2014 £	2013 £
Turnover		
Commission income	1,087,223	1,111,069
	<u>1,087,223</u>	<u>1,111,069</u>
 Cost of sales		
Commission written back against stock	(1,087,223)	(1,111,069)
Revaluation of brought forward portfolio	645,881	663,845
	<u>(441,342)</u>	<u>(447,224)</u>

3. DIRECTORS' REMUNERATION

During the year, no Director received any emoluments in respect of their services to the Company (2013 - £NIL)

During the year, retirement benefits were accruing to 5 Directors (2013 - 4) in respect of defined contribution pension schemes These benefits are accruing in Company's within the St James's Place Group

The number of Directors who exercised options over the shares in St James's Place plc during the year is NIL (2013 - 4)

There was no compensation for loss of office paid to H J Gladman

ST JAMES'S PLACE (PCP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

4 AUDITORS' REMUNERATION

The statutory audit fee of £7,500 (2013 - £7,500) was paid on behalf of the Company by another company, St James's Place Management Services Limited

There were no fees paid to the Company's auditors, PricewaterhouseCoopers LLP (2013 - £NIL), or its associates, for services other than the statutory audit of the Company

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £	2013 £
UK corporation tax charge on profit for the year	<u>127,505</u>	<u>144,344</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 21 50% (2013 - 23 25%) The differences are explained below

	2014 £	2013 £
Profit on ordinary activities before taxation	<u>645,881</u>	<u>663,845</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21 50% (2013 - 23 25%)	138,864	154,344
Effects of:		
Transfer pricing adjustments	(11,359)	(10,000)
Current tax charge for the year (see note above)	<u>127,505</u>	<u>144,344</u>

Factors that may affect future tax charges

The standard corporation tax rate will fall to 20% from April 2015, 19% from April 2017 and 18% from April 2020

There is no deferred tax (either recognised or unrecognised) within the Company

ST. JAMES'S PLACE (PCP) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2014**

6. CURRENT ASSETS

	2014 £	2013 £
Due within one year		
Other assets	<u>1,078,526</u>	<u>1,102,251</u>
	2014 £	2013 £
Due after one year		
Other assets	5,518,230	5,802,177
Other debtors	56,388	-
	<u>5,574,618</u>	<u>5,802,177</u>
	2014 £	2013 £
Other assets		
PCP book of purchased income streams as at the beginning of the year	6,904,428	7,280,310
Additions in the year	133,670	71,342
Commission written back against stock	(1,087,223)	(1,111,069)
Revaluation of brought forward portfolio	645,881	663,845
	<u>6,596,756</u>	<u>6,904,428</u>
PCP books of purchased income streams at the end of the year		

7. CREDITORS

Amounts falling due within one year

	2014 £	2013 £
Amounts owed to Group undertakings	2,020,314	2,750,078
Corporation tax	127,506	144,344
Deferred consideration	23,058	36,116
	<u>2,170,878</u>	<u>2,930,538</u>

8. CREDITORS

Amounts falling due after more than one year

	2014 £	2013 £
Deferred consideration	-	10,000

ST. JAMES'S PLACE (PCP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

9. CALLED UP SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid		
100 (2013 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

10. PROFIT AND LOSS ACCOUNT

	£
At 1 January 2014	3,963,790
Profit for the financial year	<u>518,376</u>
At 31 December 2014	<u>4,482,166</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £	2013 £
Opening shareholders' funds	3,963,890	3,444,389
Profit for the financial year	<u>518,376</u>	<u>519,501</u>
Closing shareholders' funds	<u>4,482,266</u>	<u>3,963,890</u>

12. RELATED PARTY TRANSACTIONS

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

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, which is determined to be the Directors

There were no transactions with key personnel during the year

During the year, St James's Place Management Services Limited managed transactions with the Company on behalf of St James's Place Group companies, including the settlement of commission due to the Company, of £830,146 (2013 - £671,809) The outstanding amount payable at the year end was £1,919,932 (2013 - £2,750,078)

During the year, St James's Place Partnership Services Limited made purchase settlements on behalf of the Company of £100,382 (2013 - NIL) The outstanding amount payable at the year end was £100,382 (2013 - NIL)

ST. JAMES'S PLACE (PCP) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

12 RELATED PARTY TRANSACTIONS (continued)

At 31 December, the following amounts were outstanding with group companies

	2014 £	2013 £
St James's Place Management Services Limited	(1,919,932)	(2,750,078)
St James's Place Partnership Services Limited	(100,382)	-

13. 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 plc, 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 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 Secretary 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