St. James's Place UK Plc

Annual FSA Insurance Returns for the year ended 31st December 2010

(Appendices 9.1, 9.3, 9.4, 9.6)

St. James's Place UK Plc

Year ended 31st December 2010

Contents

		Page
Appendix 9.1		
Form 2	Statement of solvency – long-term insurance business	1
	Covering sheet to Form 2	2
Form 3	Components of capital resources	3
Form 11	Calculation of general insurance capital requirement - premiums amount and brought forward amount	6
Form 12	Calculation of general insurance capital requirement - claims amount and result	7
Form 13	Analysis of admissible assets	8
Form 14	Long-term insurance business liabilities and margins	14
Form 15	Liabilities (other than long-term insurance business)	15
Form 16	Profit and loss account (non-technical account)	16
Appendix 9.3		
Form 40	Long-term insurance business: Revenue account	17
Form 41	Long-term insurance business: Analysis of premiums	18
Form 42	Long-term insurance business: Analysis of claims	19
Form 43	Long-term insurance business: Analysis of expenses	20
Form 44	Long-term insurance business: Linked funds balance sheet	21
Form 45	Long-term insurance business: revenue account for internal linked funds	22
Form 46	Long-term insurance business: Summary of new business	23
Form 47	Long-term insurance business: Analysis of new business	24
Form 48	Long-term insurance business: Assets not held to match linked liabilities	26
Form 49	Long-term insurance business: Fixed and variable interest assets	27
Form 50	Long-term insurance business: Summary of mathematical reserves	28
Form 51	Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit contracts)	29
Form 53	Long-term insurance business: Valuation summary of property linked contracts	31
Form 55	Long-term insurance business: Unit prices for internal linked funds	36
Form 58	Long-term insurance business: distribution of surplus	38
Form 60	Long-term insurance capital requirement	39
Appendix 9.4		
Abstract of Valuation Report		40
Appendix 9.6		
Certificate by Directors		52
Report of the Auditors		54
Notes to the Return		56
Additional information on Derivative Contracts		63
Additional information on Controllers		64

Statement of solvency - long-term insurance business **Form 2**

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

Global business

Financial year ended **31st December 2010**

Adjusted solo solvency calculation

	Company registration number	GL/ UK/ CM	day	month	year	units
R2	2628062	GL	31	12	2010	£000

		As at end of this financial year 1	As at end of the previous year 2
Capital resources			
Capital resources arising within the long-term insurance fund	11	66737	72956
Capital resources allocated towards long-term insurance business arising outside the long-term insurance fund	12	19742	12234
Capital resources available to cover long-term insurance business capital resources requirement (11+12)	13	86479	85190
Guarantee fund			
Guarantee fund requirement	21	10001	9147
Excess (deficiency) of available capital resources to cover guarantee fund requirement	22	76477	76043
Minimum capital requirement (MCR)			
Long-term insurance capital requirement	31	30005	27441
Resilience capital requirement	32	3527	4128
Base capital resources requirement	33	3040	3128
Individual minimum capital requirement	34	33532	31569
Capital requirements of regulated related undertakings	35		
Minimum capital requirement (34+35)	36	33532	31569
Excess (deficiency) of available capital resources to cover 50% of MCR	37	69713	69405
Excess (deficiency) of available capital resources to cover 75% of MCR	38	61330	61513
Enhanced capital requirement			
With-profits insurance capital component	39		
Enhanced capital requirement	40	33532	31569
Capital resources requirement (CRR)			
Capital resources requirement (greater of 36 and 40)	41	33532	31569
Excess (deficiency) of available capital resources to cover long-term insurance business CRR (13-41)	42	52947	53621
Contingent liabilities			
Quantifiable contingent liabilities in respect of long-term insurance business as shown in a supplementary note to Form 14	51		

Covering sheet to Form 2 **Form 2**

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

Global business

Financial year ended **31st December 2010**

..... **D C Bellamy** **Chief Executive**

..... **A M Croft** **Finance Director**

..... **D J Lamb** **Director**

Components of capital resources

Form 3
(Sheet 1)

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

Global business

Financial year ended **31st December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	units
R3	**2628062**	**GL**	**31**	**12**	**2010**	**£000**

		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4
Core tier one capital					
Permanent share capital	**11**		110000	110000	110000
Profit and loss account and other reserves	**12**		326659	326659	250945
Share premium account	**13**				
Positive valuation differences	**14**		292419	292419	251112
Fund for future appropriations	**15**				
Core tier one capital in related undertakings	**16**		17651	17651	9957
Core tier one capital (sum of 11 to 16)	**19**		746729	746729	622014
Tier one waivers					
Unpaid share capital / unpaid initial funds and calls for supplementary contributions	**21**				
Implicit items	**22**				
Tier one waivers in related undertakings	**23**				
Total tier one waivers as restricted (21+22+23)	**24**				
Other tier one capital					
Perpetual non-cumulative preference shares as restricted	**25**				
Perpetual non-cumulative preference shares in related undertakings	**26**				
Innovative tier one capital as restricted	**27**				
Innovative tier one capital in related undertakings	**28**				
Total tier one capital before deductions (19+24+25+26+27+28)	**31**		746729	746729	622014
Investments in own shares	**32**				
Intangible assets	**33**				
Amounts deducted from technical provisions for discounting	**34**				
Other negative valuation differences	**35**				
Deductions in related undertakings	**36**				
Deductions from tier one (32 to 36)	**37**				
Total tier one capital after deductions (31-37)	**39**		746729	746729	622014

Components of capital resources

Form 3
(Sheet 2)

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

Global business

Financial year ended **31st December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	units
R3	**2628062**	**GL**	**31**	**12**	**2010**	**£000**

		General insurance business	Long-term insurance business	Total as at the end of this financial year	Total as at the end of the previous year
		1	**2**	**3**	**4**
Tier two capital					
Implicit items, (tier two waivers and amounts excluded from line 22)	**41**				
Perpetual non-cumulative preference shares excluded from line 25	**42**				
Innovative tier one capital excluded from line 27	**43**				
Tier two waivers, innovative tier one capital and perpetual non-cumulative preference shares treated as tier two capital (41 to 43)	**44**				
Perpetual cumulative preference shares	**45**				
Perpetual subordinated debt and securities	**46**				
Upper tier two capital in related undertakings	**47**				
Upper tier two capital (44 to 47)	**49**				
Fixed term preference shares	**51**				
Other tier two instruments	**52**				
Lower tier two capital in related undertakings	**53**				
Lower tier two capital (51+52+53)	**59**				
Total tier two capital before restrictions (49+59)	**61**				
Excess tier two capital	**62**				
Further excess lower tier two capital	**63**				
Total tier two capital after restrictions, before deductions (61-62-63)	**69**				

Components of capital resources

Form 3
(Sheet 3)

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

Global business

Financial year ended **31st December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	units
R3	**2628062**	**GL**	**31**	**12**	**2010**	**£000**

		General insurance business 1	Long-term insurance business 2	Total as at the end of this financial year 3	Total as at the end of the previous year 4
Total capital resources					
Positive adjustments for regulated non-insurance related undertakings	**71**				
Total capital resources before deductions (39+69+71)	**72**		746729	746729	622014
Inadmissible assets other than intangibles and own shares	**73**		660250	660250	536824
Assets in excess of market risk and counterparty limits	**74**				
Deductions for related ancillary services undertakings	**75**				
Deductions for regulated non-insurance related undertakings	**76**				
Deductions of ineligible surplus capital	**77**				
Total capital resources after deductions (72-73-74-75-76-77)	**79**		86479	86479	85190
Available capital resources for *GENPRU/INSPRU* tests					
Available capital resources for guarantee fund requirement	**81**		86479	86479	85190
Available capital resources for 50% MCR requirement	**82**		86479	86479	85190
Available capital resources for 75% MCR requirement	**83**		86479	86479	85190
Financial engineering adjustments					
Implicit items	**91**				
Financial reinsurance – ceded	**92**				
Financial reinsurance – accepted	**93**				
Outstanding contingent loans	**94**				
Any other charges on future profits	**95**				
Sum of financial engineering adjustments (91+92-93+94+95)	**96**				

Calculation of general insurance capital requirement - premiums amount and brought forward amount

Form 11

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

Global business

Financial year ended **31st December 2010**

Long-term insurance business

	Company registration number	GL/ UK/ CM	day	month	year	units
R11	**2628062**	**GL**	**31**	**12**	**2010**	**£000**

			This financial year 1	Previous year 2
Gross premiums written		**11**	13910	14941
Premiums taxes and levies (included in line 11)		**12**		
Premiums written net of taxes and levies (11-12)		**13**	13910	14941
Premiums for classes 11, 12 or 13 (included in line 13)		**14**		
Premiums for "actuarial health insurance" (included in line 13)		**15**	13910	14941
Sub-total A (13 + 1/2 14 - 2/3 15)		**16**	4637	4980
Gross premiums earned		**21**	13910	14941
Premium taxes and levies (included in line 21)		**22**		
Premiums earned net of taxes and levies (21-22)		**23**	13910	14941
Premiums for classes 11, 12 or 13 (included in line 23)		**24**		
Premiums for "actuarial health insurance" (included in line 23)		**25**	13910	14941
Sub-total H (23 + 1/2 24 - 2/3 25)		**26**	4637	4980
Sub-total I (higher of sub-total A and sub-total H)		**30**	4637	4980
Adjusted sub-total I if financial year is not a 12 month period to produce an annual figure		**31**		
Division of gross adjusted premiums amount: sub-total I (or adjusted sub-total I if appropriate)	x 0.18	**32**	835	896
	Excess (if any) over 57.5M EURO x 0.02	**33**		
Sub-total J (32-33)		**34**	835	896
Claims paid in period of 3 financial years		**41**	37665	38454
Claims outstanding carried forward at the end of the 3 year period	For insurance business accounted for on an underwriting year basis	**42**	24581	22550
	For insurance business accounted for on an accident year basis	**43**		
Claims outstanding brought forward at the beginning of the 3 year period	For insurance business accounted for on an underwriting year basis	**44**	27725	26033
	For insurance business accounted for on an accident year basis	**45**		
Sub-total C (41+42+43-44-45)		**46**	34521	34971
Amounts recoverable from reinsurers in respect of claims included in Sub-total C		**47**	26009	25050
Sub-total D (46-47)		**48**	8512	9921
Reinsurance ratio (Sub-total D / sub-total C or, if more, 0.50 or, if less, 1.00)		**49**	0.50	0.50
Premiums amount (Sub-total J x **reinsurance ratio**)		**50**	418	448
Provisions for claims outstanding (before discounting and net of reinsurance)		**51**	7314	6757
Provisions for claims outstanding (before discounting and gross of reinsurance) if both 51.1 and 51.2 are zero, otherwise zero		**52**		
Brought forward amount (see instruction 4)		**53**	693	693
Greater of lines 50 and 53		**54**	693	693

Calculation of general insurance capital requirement - claims amount and result **Form 12**

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

Global business

Financial year ended **31st December 2010**

Long-term insurance business

	Company registration number	GL/ UK/ CM	day	month	year	units
R12	**2628062**	**GL**	**31**	**12**	**2010**	**£000**

			This financial year 1	Previous year 2
Reference period (No. of months) See *INSPRU* 1.1.63R		**11**	36	36
Claims paid in reference period		**21**	37665	38454
Claims outstanding carried forward at the end of the reference period	For insurance business accounted for on an underwriting year basis	**22**	24581	22550
	For insurance business accounted for on an accident year basis	**23**		
Claims outstanding brought forward at the beginning of the reference period	For insurance business accounted for on an underwriting year basis	**24**	27725	26033
	For insurance business accounted for on an accident year basis	**25**		
Claims incurred in reference period (21+22+23-24-25)		**26**	34521	34971
Claims incurred for classes 11, 12 or 13 (included in 26)		**27**		
Claims incurred for "actuarial health insurance" (included in 26)		**28**	34521	34971
Sub-total E (26 + 1/2 27 - 2/3 28)		**29**	11507	11657
Sub-total F - Conversion of sub-total E to annual figure (multiply by 12 and divide by number of months in the reference period)		**31**	3836	3886
Division of sub-total F (gross adjusted claims amount)	X 0.26	**32**	997	1010
	Excess (if any) over 40.3M EURO x 0.03	**33**		
Sub-total G (32 - 33)		**39**	997	1010
Claims amount Sub-total G x **reinsurance ratio** (11.49)		**41**	499	505
Higher of **premiums amount** and **brought forward amount** (11.54)		**42**	693	693
General insurance capital requirement (higher of lines 41 and 42)		**43**	693	693

Analysis of admissible assets

Form 13
(Sheet 1)

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

Global business

Financial year ended **31st December 2010**

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

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets
R13	2628062	GL	31	12	2010	£000	1

			As at end of this financial year 1	As at end of the previous year 2
Land and buildings		11		

Investments in group undertakings and participating interests

UK insurance dependants	shares	21	17651	9957
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25		
	debts and loans	26		
Other group undertakings	shares	27		
	debts and loans	28		
Participating interests	shares	29		
	debts and loans	30		

Other financial investments

Equity shares		41		
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	16815	12029
Rights under derivative contracts		44		
Fixed interest securities	Approved	45		
	Other	46		
Variable interest securities	Approved	47		
	Other	48		
Participation in investment pools		49		
Loans secured by mortgages		50		
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52		
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		
	More than one month withdrawal	55		
Other financial investments		56		

Analysis of admissible assets

Form 13
(Sheet 2)

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

Global business

Financial year ended **31st December 2010**

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

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets
R13	2628062	GL	31	12	2010	£000	1

			As at end of this financial year 1	As at end of the previous year 2
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58		
	Property linked	59		

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71		
	Intermediaries	72		
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76		
	due in more than 12 months	77		
Other	due in 12 months or less	78		
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	276	248
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84		
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86		

Deductions from the aggregate value of assets	87		

Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	34742	22234

Analysis of admissible assets

Form 13
(Sheet 3)

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

Global business

Financial year ended **31st December 2010**

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

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets
R13	2628062	GL	31	12	2010	£000	1

	As at end of this financial year	As at end of the previous year
	1	2

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	**91**	34742	22234
Admissible assets in excess of market and counterparty limits	**92**		
Inadmissible assets directly held	**93**		
Capital resources requirement deduction of regulated related undertakings	**94**		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	**95**		
Inadmissible assets of regulated related undertakings	**96**		
Book value of related ancillary services undertakings	**97**		
Other differences in the valuation of assets (other than for assets not valued above)	**98**	(17651)	(9957)
Deferred acquisition costs excluded from line 89	**99**		
Reinsurers' share of technical provisions excluded from line 89	**100**		
Other asset adjustments (may be negative)	**101**		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	**102**	17091	12277

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	**103**		

Analysis of admissible assets

Form 13
(Sheet 1)

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

Global business

Financial year ended **31st December 2010**

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

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets
R13	2628062	GL	31	12	2010	£000	10

			As at end of this financial year 1	As at end of the previous year 2
Land and buildings		11		

Investments in group undertakings and participating interests

UK insurance dependants	shares	21		
	debts and loans	22		
Other insurance dependants	shares	23		
	debts and loans	24		
Non-insurance dependants	shares	25		
	debts and loans	26		
Other group undertakings	shares	27		
	debts and loans	28		
Participating interests	shares	29		
	debts and loans	30		

Other financial investments

Equity shares		41		
Other shares and other variable yield participations		42		
Holdings in collective investment schemes		43	128211	91315
Rights under derivative contracts		44		
Fixed interest securities	Approved	45	12691	8712
	Other	46		
Variable interest securities	Approved	47	28705	26845
	Other	48		
Participation in investment pools		49		
Loans secured by mortgages		50		
Loans to public or local authorities and nationalised industries or undertakings		51		
Loans secured by policies of insurance issued by the company		52		
Other loans		53		
Bank and approved credit & financial institution deposits	One month or less withdrawal	54		
	More than one month withdrawal	55		
Other financial investments		56		

Analysis of admissible assets

Form 13
(Sheet 2)

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

Global business

Financial year ended **31st December 2010**

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

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets
R13	2628062	GL	31	12	2010	£000	10

			As at end of this financial year 1	As at end of the previous year 2
Deposits with ceding undertakings		57		
Assets held to match linked liabilities	Index linked	58		
	Property linked	59	18140196	14436302

Reinsurers' share of technical provisions

Provision for unearned premiums	60		
Claims outstanding	61		
Provision for unexpired risks	62		
Other	63		

Debtors and salvage

Direct insurance business	Policyholders	71	9019	10012
	Intermediaries	72	16620	13323
Salvage and subrogation recoveries		73		
Reinsurance	Accepted	74		
	Ceded	75		
Dependants	due in 12 months or less	76	1686	163
	due in more than 12 months	77		
Other	due in 12 months or less	78	50665	18865
	due in more than 12 months	79		

Other assets

Tangible assets	80		
Deposits not subject to time restriction on withdrawal with approved institutions	81	49788	2351
Cash in hand	82		
Other assets (particulars to be specified by way of supplementary note)	83		
Accrued interest and rent	84	298	230
Deferred acquisition costs (general business only)	85		
Other prepayments and accrued income	86	16069	1046

Deductions from the aggregate value of assets	87		

Grand total of admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (11 to 86 less 87)	89	18453948	14609164

Analysis of admissible assets

Form 13
(Sheet 3)

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

Global business

Financial year ended **31st December 2010**

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

	Company registration number	GL/ UK/ CM	day	month	year	units	Category of assets
R13	2628062	GL	31	12	2010	£000	10

	As at end of this financial year	As at end of the previous year
	1	2

Reconciliation to asset values determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting

Total admissible assets after deduction of admissible assets in excess of market risk and counterparty limits (as per line 89 above)	**91**	18453948	14609164
Admissible assets in excess of market and counterparty limits	**92**		
Inadmissible assets directly held	**93**	72754	30376
Capital resources requirement deduction of regulated related undertakings	**94**		
Ineligible surplus capital and restricted assets in regulated related insurance undertakings	**95**		
Inadmissible assets of regulated related undertakings	**96**		
Book value of related ancillary services undertakings	**97**		
Other differences in the valuation of assets (other than for assets not valued above)	**98**		(163)
Deferred acquisition costs excluded from line 89	**99**	523146	445230
Reinsurers' share of technical provisions excluded from line 89	**100**	38278	38693
Other asset adjustments (may be negative)	**101**		
Total assets determined in accordance with the insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (91 to 101)	**102**	19088126	15123300

Amounts included in line 89 attributable to debts due from related insurers, other than those under contracts of insurance or reinsurance	**103**		

Long-term insurance business liabilities and margins **Form 14**

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

Global business

Financial year ended **31st December 2010**

Fund **Total Long-term insurance business**

Units **£000**

			As at the end of this financial year **1**	As at the end of the previous year **2**
Mathematical reserves, after distribution of surplus		**11**	18174924	14451866
Cash bonuses which had not been paid to policyholders prior to end of the financial year		**12**		
Balance of surplus / (valuation deficit)		**13**	66737	72956
Long term insurance business fund carried forward (11 to 13)		**14**	18241661	14524822
Claims outstanding	Gross	**15**	36073	29799
	Reinsurers' share	**16**	3509	2788
	Net (15-16)	**17**	32564	27011
Provisions	Taxation	**21**	37436	24042
	Other risks and charges	**22**		
Deposits received from reinsurers		**23**		
Creditors	Direct insurance business	**31**	24572	6862
	Reinsurance accepted	**32**		
	Reinsurance ceded	**33**		
Debenture loans	Secured	**34**		
	Unsecured	**35**		
Amounts owed to credit institutions		**36**	66075	
Creditors	Taxation	**37**	30201	8218
	Other	**38**	5504	6520
Accruals and deferred income		**39**	15935	11689
Provision for "reasonably foreseeable adverse variations"		**41**		
Total other insurance and non-insurance liabilities (17 to 41)		**49**	212287	84342
Excess of the value of net admissible assets		**51**		
Total liabilities and margins		**59**	18453948	14609164

Amounts included in line 59 attributable to liabilities to related companies, other than those under contracts of insurance or reinsurance	**61**	5504	6520
Amounts included in line 59 attributable to liabilities in respect of property linked benefits	**62**	18102760	14412260

Total liabilities (11+12+49)	**71**	18387211	14536208
Increase to liabilities – DAC related	**72**	141250	124664
Reinsurers' share of technical provisions	**73**	38278	38693
Other adjustments to liabilities (may be negative)	**74**	101819	75067
Capital and reserves and fund for future appropriations	**75**	419568	348668
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (71 to 75)	**76**	19088126	15123300

Liabilities (other than long-term insurance business) **Form 15**

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

Global business

Financial year ended **31st December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	units
R15	2628062	GL	31	12	2010	£000

			As at the end of this financial year	As at the end of the previous year
			1	2
Technical provisions (gross amount)				
Provision for unearned premiums		11		
Claims outstanding		12		
Provision for unexpired risks		13		
Equalisation provisions	Credit business	14		
	Other than credit business	15		
Other technical provisions		16		
Total gross technical provisions (11 to 16)		19		
Provisions and creditors				
Provisions	Taxation	21		
	Other risks and charges	22		
Deposits received from reinsurers		31		
Creditors	Direct insurance business	41		
	Reinsurance accepted	42		
	Reinsurance ceded	43		
Debenture loans	Secured	44		
	Unsecured	45		
Amounts owed to credit institutions		46		
Creditors	Taxation	47		
	Foreseeable dividend	48	15000	10000
	Other	49		
Accruals and deferred income		51		
Total (19 to 51)		59	15000	10000
Provision for "reasonably foreseeable adverse variations"		61		
Cumulative preference share capital		62		
Subordinated loan capital		63		
Total (59 to 63)		69	15000	10000

Amounts included in line 69 attributable to liabilities to related insurers, other than those under contracts of insurance or reinsurance	71		

Amounts deducted from technical provisions for discounting	82		
Other adjustments (may be negative)	83	(15000)	(10000)
Capital and reserves	84	17091	12277
Total liabilities under insurance accounts rules or international accounting standards as applicable to the firm for the purpose of its external financial reporting (69-82+83+84)	85	17091	12277

Profit and loss account (non-technical account) **Form 16**

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

Global business

Financial year ended **31st December 2010**

	Company registration number	GL/ UK/ CM	day	month	year	units
R16	2628062	GL	31	12	2010	£000

			This financial year 1	Previous year 2
Transfer (to) / from the general insurance business technical account	From Form 20	11		
	Equalisation provisions	12		
Transfer from the long term insurance business revenue account		13	15000	10000
Investment income	Income	14	31	78
	Value re-adjustments on investments	15		
	Gains on the realisation of investments	16		
Investment charges	Investment management charges, including interest	17		
	Value re-adjustments on investments	18		5000
	Loss on the realisation of investments	19		
Allocated investment return transferred to the general insurance business technical account		20		
Other income and charges (particulars to be specified by way of supplementary note)		21	(216)	(216)
Profit or loss on ordinary activities before tax (11+12+13+14+15+16-17-18-19-20+21)		29	14815	4862
Tax on profit or loss on ordinary activities		31		
Profit or loss on ordinary activities after tax (29-31)		39	14815	4862
Extraordinary profit or loss (particulars to be specified by way of supplementary note)		41		
Tax on extraordinary profit or loss		42		
Other taxes not shown under the preceding items		43		
Profit or loss for the financial year (39+41-(42+43))		49	14815	4862
Dividends (paid or foreseeable)		51	15000	10000
Profit or loss retained for the financial year (49-51)		59	(185)	(5138)

Long-term insurance business: Revenue account **Form 40**

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

Name and number of fund/Summary **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

		Financial year **1**	Previous year **2**
Income			
Earned premiums	**11**	3126712	2365583
Investment income receivable before deduction of tax	**12**	474519	434885
Increase (decrease) in the value of non-linked assets brought into account	**13**	(40540)	(32035)
Increase (decrease) in the value of linked assets	**14**	1570069	1702085
Other income	**15**	735	226
Total income	**19**	5131495	4470744
Expenditure			
Claims incurred	**21**	1007146	750097
Expenses payable	**22**	327017	268919
Interest payable before deduction of tax	**23**		
Taxation	**24**	56437	32642
Other expenditure	**25**	9056	13950
Transfer to (from) non technical account	**26**	15000	10000
Total expenditure	**29**	1414656	1075608
Business transfers-in	**31**		
Business transfers-out	**32**		
Increase (decrease) in fund in financial year (19-29+31-32)	**39**	3716839	3395136
Fund brought forward	**49**	14524822	11129686
Fund carried forward (39+49)	**59**	18241661	14524822

Long-term insurance business: Analysis of premiums **Form 41**

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

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

		UK Life 1	UK Pension 2	Overseas 3	Total Financial year 4	Total Previous year 5
Gross						
Regular premiums	**11**	50514	230025		280539	253954
Single premiums	**12**	1503073	1400195		2903268	2151525
Reinsurance - external						
Regular premiums	**13**	20941	558		21499	22976
Single premiums	**14**					
Reinsurance - intra-group						
Regular premiums	**15**					
Single premiums	**16**		35596		35596	16920
Net of reinsurance						
Regular premiums	**17**	29573	229467		259040	230978
Single premiums	**18**	1503073	1364599		2867672	2134605
Total						
Gross	**19**	1553587	1630220		3183807	2405479
Reinsurance	**20**	20941	36154		57095	39896
Net	**21**	1532646	1594066		3126712	2365583

Long-term insurance business: Analysis of claims **Form 42**

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

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

		UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
		1	2	3	4	5
Gross						
Death or disability lump sums	11	61062	14992		76054	62267
Disability periodic payments	12	2595			2595	2342
Surrender or partial surrender	13	466821	468256		935077	694764
Annuity payments	14					
Lump sums on maturity	15	6777	88782		95559	55050
Total	16	537255	572030		1109285	814423
Reinsurance - external						
Death or disability lump sums	21	14056	277		14333	14051
Disability periodic payments	22	1808			1808	1728
Surrender or partial surrender	23	436			436	460
Annuity payments	24					
Lump sums on maturity	25					
Total	26	16300	277		16577	16239
Reinsurance - intra-group						
Death or disability lump sums	31					
Disability periodic payments	32					
Surrender or partial surrender	33		85562		85562	48087
Annuity payments	34					
Lump sums on maturity	35					
Total	36		85562		85562	48087
Net of reinsurance						
Death or disability lump sums	41	47006	14715		61721	48216
Disability periodic payments	42	787			787	614
Surrender or partial surrender	43	466385	382694		849079	646217
Annuity payments	44					
Lump sums on maturity	45	6777	88782		95559	55050
Total	46	520955	486191		1007146	750097

Long-term insurance business: Analysis of expenses **Form 43**

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

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

		UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
		1	**2**	**3**	**4**	**5**
Gross						
Commission - acquisition	**11**	62400	44029		106429	80413
Commission - other	**12**	41072	19794		60866	47111
Management - acquisition	**13**	48074	39379		87453	73022
Management - maintenance	**14**	37787	30953		68740	64388
Management - other	**15**	2054	1683		3737	4136
Total	**16**	191387	135838		327225	269070
Reinsurance - external						
Commission - acquisition	**21**					
Commission - other	**22**					
Management - acquisition	**23**					
Management - maintenance	**24**					
Management - other	**25**					
Total	**26**					
Reinsurance - intra-group						
Commission - acquisition	**31**		208		208	151
Commission - other	**32**					
Management - acquisition	**33**					
Management - maintenance	**34**					
Management - other	**35**					
Total	**36**		208		208	151
Net of reinsurance						
Commission - acquisition	**41**	62400	43821		106221	80262
Commission - other	**42**	41072	19794		60866	47111
Management - acquisition	**43**	48074	39379		87453	73022
Management - maintenance	**44**	37787	30953		68740	64388
Management - other	**45**	2054	1683		3737	4136
Total	**46**	191387	135630		327017	268919

Long-term insurance business: Linked funds balance sheet **Form 44**

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

Total business

Financial year ended **31st December 2010**

Units **£000**

		Financial year **1**	Previous year **2**
Internal linked funds (excluding cross investment)			
Directly held assets (excluding collective investment schemes)	**11**	8866918	11719789
Directly held assets in collective investment schemes of connected companies	**12**	9624969	2660571
Directly held assets in other collective investment schemes	**13**	337105	640739
Total assets (excluding cross investment) (11+12+13)	**14**	18828992	15021099
Provision for tax on unrealised capital gains	**15**	37436	24042
Secured and unsecured loans	**16**		
Other liabilities	**17**	680325	582292
Total net assets (14-15-16-17)	**18**	18111231	14414765
Directly held linked assets			
Value of directly held linked assets	**21**		
Total			
Value of directly held linked assets and units held (18+21)	**31**	18111231	14414765
Surplus units	**32**	8899	2505
Deficit units	**33**	428	
Net unit liability (31-32+33)	**34**	18102760	14412260

Long-term insurance business: revenue account for internal linked funds **Form 45**

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

Total business

Financial year ended **31st December 2010**

Units **£000**

		Financial year **1**	Previous year **2**
Income			
Value of total creation of units	**11**	2759800	2251677
Investment income attributable to the funds before deduction of tax	**12**	378925	427006
Increase (decrease) in the value of investments in the financial year	**13**	1570069	1706593
Other income	**14**	219	1176
Total income	**19**	4709013	4386452
Expenditure			
Value of total cancellation of units	**21**	680303	661242
Charges for management	**22**	144335	189945
Charges in respect of tax on investment income	**23**	35771	24806
Taxation on realised capital gains	**24**	56613	19799
Increase (decrease) in amount set aside for tax on capital gains not yet realised	**25**	13395	23577
Other expenditure	**26**	82130	75821
Total expenditure	**29**	1012547	995190
Increase (decrease) in funds in financial year (19-29)	**39**	3696466	3391262
Internal linked fund brought forward	**49**	14414765	11023503
Internal linked funds carried forward (39+49)	**59**	18111231	14414765

Long-term insurance business: Summary of new business **Form 46**

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

Total business

Financial year ended **31st December 2010**

Units **£000**

		UK Life	UK Pension	Overseas	Total Financial year	Total Previous year
		1	**2**	**3**	**4**	**5**
Number of new policyholders / scheme members for direct insurance business						
Regular premium business	**11**	469	7248		7717	6862
Single premium business	**12**	15037	23837		38874	30800
Total	**13**	15506	31085		46591	37662
Amount of new regular premiums						
Direct insurance business	**21**	3787	68277		72064	66468
External reinsurance	**22**					
Intra-group reinsurance	**23**					
Total	**24**	3787	68277		72064	66468
Amount of new single premiums						
Direct insurance business	**25**	1503073	1400195		2903268	2151525
External reinsurance	**26**					
Intra-group reinsurance	**27**					
Total	**28**	1503073	1400195		2903268	2151525

Long-term insurance business: Analysis of new business

Form 47
(Sheet 1)

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

Total business

Financial year ended **31st December 2010**

Units **£000**

UK Life / Direct insurance business

		Regular premium business		Single premium business	
Product code number	Product description	Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	**2**	**3**	**4**	**5**	**6**
300	Regular premium non-profit WL/EA OB	237	1619		
325	Level term assurance	19	20		
335	Decreasing term assurance (rider benefits)	2	2		
345	Accelerated critical illness (reviewable premiums)		2		
355	Stand-alone critical illness (reviewable premiums)	1	279		
365	Income protection non-profit (reviewable premiums)		147		
380	Miscellaneous protection rider		12		
700	Life property linked single premium			15037	1503073
710	Life property linked whole life regular premium	210	1202		
775	Accelerated critical illness rider		115		
780	Stand-alone critical illness rider		257		
785	Income protection rider		132		

Long-term insurance business: Analysis of new business

Form 47
(Sheet 2)

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

Total business

Financial year ended **31st December 2010**

Units **£000**

UK Pension / Direct insurance business

		Regular premium business		Single premium business	
Product code number	Product description	Number of policyholders / scheme members	Amount of premiums	Number of policyholders / scheme members	Amount of premiums
1	**2**	**3**	**4**	**5**	**6**
725	Individual pensions property linked	6800	56534	22134	1070336
730	Individual pensions property linked - increments		8865		
735	Group money purchase pensions property linked	448	1237	247	5137
740	Group money purchase pensions property linked - increments		1470		
745	DWP National Insurance rebates property linked				7722
750	Income drawdown property linked			1444	272562
755	Trustee investment plan			12	44438
790	Miscellaneous protection rider		171		

Long-term insurance business: Assets not held to match linked liabilities **Form 48**

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

Financial year ended **31st December 2010**

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

Units **£000**

		Unadjusted assets 1	Economic exposure 2	Expected income from assets in column 2 3	Yield before adjustment 4	Return on assets in financial year 5
Assets backing non-profit liabilities and non-profit capital requirements						
Land and buildings	**11**					
Approved fixed interest securities	**12**	12739	12739	581	4.63	
Other fixed interest securities	**13**					
Variable interest securities	**14**	28955	28955	567	3.53	
UK listed equity shares	**15**					
Non-UK listed equity shares	**16**					
Unlisted equity shares	**17**					
Other assets	**18**	272058	272058	1033	0.38	
Total	**19**	313752	313752	2181	0.84	
Assets backing with-profits liabilities and with-profits capital requirments						
Land and buildings	**21**					
Approved fixed interest securities	**22**					
Other fixed interest securities	**23**					
Variable interest securities	**24**					
UK listed equity shares	**25**					
Non-UK listed equity shares	**26**					
Unlisted equity shares	**27**					
Other assets	**28**					
Total	**29**					
Overall return on with-profits assets						
Post investment costs but pre-tax	**31**					
Return allocated to non taxable 'asset shares'	**32**					
Return allocated to taxable 'asset shares'	**33**					

Long-term insurance business: Fixed and variable interest assets **Form 49**

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

Financial year ended **31st December 2010**

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

Units **£000**

		Value of assets 1	Mean term 2	Yield before adjustment 3	Yield after adjustment 4
UK government approved fixed interest securities	**11**	12739	40.00	4.63	4.63
Other approved fixed interest securities	**21**				
Other fixed interest securities					
AAA/Aaa	**31**				
AA/Aa	**32**				
A/A	**33**				
BBB/Baa	**34**				
BB/Ba	**35**				
B/B	**36**				
CCC/Caa	**37**				
Other (including unrated)	**38**				
Total other fixed interest securities	**39**				
Approved variable interest securities	**41**	28955	11.70	3.53	3.53
Other variable interest securities	**51**				
Total (11+21+39+41+51)	**61**	41694	20.35	3.87	3.87

Long-term insurance business: Summary of mathematical reserves **Form 50**

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

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

		UK Life 1	UK Pension 2	Overseas 3	Total Financial Year 4	Total Previous Year 5
Gross						
Form 51 - with-profits	**11**					
Form 51 - non-profit	**12**	44194			44194	31817
Form 52	**13**					
Form 53 - linked	**14**	9411438	8691322		18102760	14412260
Form 53 - non-linked	**15**	61471	1269		62740	43694
Form 54 - linked	**16**					
Form 54 - non-linked	**17**					
Total	**18**	9517103	8692591		18209694	14487771
Reinsurance - external						
Form 51 - with-profits	**21**					
Form 51 - non-profit	**22**	20544			20544	19161
Form 52	**23**					
Form 53 – linked	**24**					
Form 53 - non-linked	**25**	11721	1472		13193	12925
Form 54 – linked	**26**					
Form 54 - non-linked	**27**					
Total	**28**	32265	1472		33737	32086
Reinsurance - intra-group						
Form 51 - with-profits	**31**					
Form 51 - non-profit	**32**					
Form 52	**33**					
Form 53 – linked	**34**					
Form 53 - non-linked	**35**		1033		1033	3819
Form 54 – linked	**36**					
Form 54 - non-linked	**37**					
Total	**38**		1033		1033	3819
Net of reinsurance						
Form 51 - with-profits	**41**					
Form 51 - non-profit	**42**	23650			23650	12656
Form 52	**43**					
Form 53 – linked	**44**	9411438	8691322		18102760	14412260
Form 53 - non-linked	**45**	49750	(1236)		48514	26950
Form 54 – linked	**46**					
Form 54 - non-linked	**47**					
Total	**48**	9484838	8690086		18174924	14451866

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit contracts)

Form 51
(Sheet 1)

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

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

UK Life / Gross

Product code number **1**	Product description **2**	Number of policyholders / scheme members **3**	Amount of benefit **4**	Amount of annual office premiums **5**	Nominal value of units **6**	Discounted value of units **7**	Other liabilities **8**	Amount of mathematical reserves **9**
300	Regular premium non-profit WL/EA OB	786	174594	4727	**n/a**	**n/a**	**n/a**	7128
325	Level term assurance	6812	1501390	5220	**n/a**	**n/a**	**n/a**	10416
330	Decreasing term assurance	1985	201947	999	**n/a**	**n/a**	**n/a**	826
335	Decreasing term assurance (rider benefits)	2191	170997	1161	**n/a**	**n/a**	**n/a**	1048
345	Accelerated critical illness (reviewable premiums)	2624	338982	2300	**n/a**	**n/a**	**n/a**	2859
355	Stand-alone critical illness (reviewable premiums)	4519	612131	4425	**n/a**	**n/a**	**n/a**	8968
365	Income protection non-profit (reviewable premiums)	4249	83829	3230	**n/a**	**n/a**	**n/a**	2380
780	Stand-alone critical illness rider		177262		**n/a**	**n/a**	**n/a**	
785	Income protection rider		16918		**n/a**	**n/a**	**n/a**	
380	Miscellaneous protection rider		5755		**n/a**	**n/a**	**n/a**	
385	Income protection claims in payment				**n/a**	**n/a**	**n/a**	10569

Long-term insurance business : Valuation summary of non-linked contracts (other than accumulating with-profit contracts)

Form 51
(Sheet 2)

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

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

UK Life / Reinsurance ceded external

Product code number **1**	Product description **2**	Number of policyholders / scheme members **3**	Amount of benefit **4**	Amount of annual office premiums **5**	Nominal value of units **6**	Discounted value of units **7**	Other liabilities **8**	Amount of mathematical reserves **9**
300	Regular premium non-profit WL/EA OB		138180	611	**n/a**	**n/a**	**n/a**	27
325	Level term assurance		1196997	3250	**n/a**	**n/a**	**n/a**	5199
330	Decreasing term assurance		152653	360	**n/a**	**n/a**	**n/a**	156
335	Decreasing term assurance (rider benefits)		132047	1137	**n/a**	**n/a**	**n/a**	49
345	Accelerated critical illness (reviewable premiums)		266427	1542	**n/a**	**n/a**	**n/a**	565
355	Stand-alone critical illness (reviewable premiums)		541903	2122	**n/a**	**n/a**	**n/a**	6793
365	Income protection non-profit (reviewable premiums)		57589	1239	**n/a**	**n/a**	**n/a**	1785
780	Stand-alone critical illness rider		152391		**n/a**	**n/a**	**n/a**	
785	Income protection rider		10261		**n/a**	**n/a**	**n/a**	
380	Miscellaneous protection rider		3171		**n/a**	**n/a**	**n/a**	
385	Income protection claims in payment				**n/a**	**n/a**	**n/a**	5970

Long-term insurance business: Valuation summary of property linked contracts

Form 53
(Sheet 1)

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

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

UK Life / Gross

Product code number **1**	Product description **2**	Number of policyholders / scheme members **3**	Amount of benefit **4**	Amount of annual office premiums **5**	Nominal value of units **6**	Discounted value of units **7**	Other liabilities **8**	Amount of mathematical reserves **9**
700	Life property linked single premium	120097	9464880		9415491	9230127	24	9230151
710	Life property linked whole life regular premium	6635	1541676	10467	37296	37296	3131	40427
715	Life property linked endowment regular premium - savings	994	28414	1458	28394	28394	27	28421
720	Life property linked endowment regular premium – target cash	5492	234616	6132	100388	100388	198	100586
775	Accelerated critical illness (reviewable)	3176	299376	2614	6480	6480	1032	7512
780	Stand-alone critical illness (reviewable)	1611	241716	2730	3974	3974	999	4973
785	Income protection Non-profit (reviewable)	1983	42538	1501	149	149	2444	2594
770	Level term assurance (life)	3572	256906	1163	4630	4630	432	5062
775	Accelerated critical illness rider		114548					
785	Income protection rider		8836					
790	Miscellaneous protection rider		11447					
800	Income protection claims in payment						12713	12713
800	Additional reserves property linked						1500	1500
800	Tax reserves						38971	38971

Long-term insurance business: Valuation summary of property linked contracts

Form 53
(Sheet 2)

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

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

UK Life / Reinsurance ceded external

Product code number **1**	Product description **2**	Number of policyholders / scheme members **3**	Amount of benefit **4**	Amount of annual office premiums **5**	Nominal value of units **6**	Discounted value of units **7**	Other liabilities **8**	Amount of mathematical reserves **9**
710	Life property linked whole life regular premium		1301939	3204			188	188
715	Life property linked endowment regular premium - savings		9	4			1	1
720	Life property linked endowment regular premium – target cash		116471	621			107	107
775	Accelerated critical illness (reviewable)		293501	2151			385	385
780	Stand-alone critical illness (reveiwable)		223756	1586			622	622
785	Income protection Non-profit (reviewable)		33069	901			662	662
770	Level term assurance (life)		163325	191			18	18
775	Accelerated critical illness rider		62525					
785	Income protection rider		6135					
790	Miscellaneous protection rider		8281					
800	Income protection claims in payment						9738	9738

Long-term insurance business: Valuation summary of property linked contracts

Form 53
(Sheet 3)

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

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

UK Pension / Gross

Product code number **1**	Product description **2**	Number of policyholders / scheme members **3**	Amount of benefit **4**	Amount of annual office premiums **5**	Nominal value of units **6**	Discounted value of units **7**	Other liabilities **8**	Amount of mathematical reserves **9**
725	Individual pensions property linked	194123	6611607	226988	6682883	6566365	(3172)	6563192
735	Group money purchase pensions property linked	16597	481437	24210	453089	443856	1998	445855
750	Income drawdown property linked	4584	680273		681167	681167	(770)	680398
755	Trustee investment plan	1847			1004056	999934	20	999954
800	Income protection claims in payment						1423	1423
770	Term assurance rider		307631					
790	Miscellaneous protection rider		18078					
800	Additional reserves property linked						1770	1770

Long-term insurance business: Valuation summary of property linked contracts

Form 53
(Sheet 4)

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

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

UK Pension / Reinsurance ceded external

Product code number **1**	Product description **2**	Number of policyholders / scheme members **3**	Amount of benefit **4**	Amount of annual office premiums **5**	Nominal value of units **6**	Discounted value of units **7**	Other liabilities **8**	Amount of mathematical reserves **9**
725	Individual pensions property linked			827			428	428
735	Group money purchase pensions property linked			81			38	38
800	Income protection claims in payment						1006	1006
770	Term assurance rider		244633					
790	Miscellaneous protection rider		12230					

Long-term insurance business: Valuation summary of property linked contracts

Form 53
(Sheet 5)

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

Total business / subfund **Total Long-term insurance business**

Financial year ended **31st December 2010**

Units **£000**

UK Pension / Reinsurance ceded intra-group

Product code number **1**	Product description **2**	Number of policyholders / scheme members **3**	Amount of benefit **4**	Amount of annual office premiums **5**	Nominal value of units **6**	Discounted value of units **7**	Other liabilities **8**	Amount of mathematical reserves **9**
725	Individual pensions property linked						1033	1033

Long-term insurance business: Unit prices for internal linked funds **Form 55**

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

Total business

Financial year ended **31st December 2010**

Units **£000**

Fund name 1	Type of fund 2	Net assets 3	Main series 4	Unit mgmt charge 5	Price at previous valuation date 6	Price at current valuation date 7	Change in price during year 8
THS NET MANAGED	04 - life - other managed fund	1696304707	Accumulation	1.50	4.3082	4.6341	7.56
INVESCO NET MANAGED	02 - life - balanced managed fund	1063426028	Accumulation	1.50	2.7169	2.9634	9.07
GAM NET MANAGED	04 - life - other managed fund	536464738	Accumulation	1.50	1.6501	1.8457	11.85
SCHRODER NET MANAGED	02 - life - balanced managed fund	714746862	Accumulation	1.50	1.6516	1.8048	9.28
ARTISAN NET MANAGED	04 - life - other managed fund	517607091	Accumulation	1.50	1.0261	1.1523	12.30
AXA FRAM NET MANAGED	02 - life - balanced managed fund	596613531	Accumulation	1.50	1.0893	1.2299	12.91
JUPITER NET CAUTIOUS	02 - life - balanced managed fund	298033021	Accumulation	1.50	1.0273	1.1259	9.60
POLARIS NET WORLDWIDE	02 - life - balanced managed fund	347976492	Accumulation	1.50	0.8601	1.0227	18.90
NET UK EQUITY	05 - life - UK equity	130044313	Accumulation	1.50	3.3483	3.6712	9.64
NET FAR EAST	06 - life - overseas equity	209417390	Accumulation	1.50	2.9247	3.5948	22.91
NET GILTS	03 - life - defensive managed fund	106170529	Accumulation	1.50	2.0371	2.1295	4.54
NET EQUITY INCOME	04 - life - other managed fund	184660133	Accumulation	1.50	0.8376	0.9068	8.26
NET DIVERSIFIED INCOME	04 - life - other managed fund	146286249	Accumulation	1.50	0.7692	0.8894	15.63
NET INV GRADE CORP BOND	04 - life - other managed fund	199856358	Accumulation	1.50	1.2294	1.2872	4.70
NET CORPORATE BOND	04 - life - other managed fund	388771555	Accumulation	1.50	1.1328	1.2399	9.45
NET ABSOLUTE RETURN	04 - life - other managed fund	119483586	Accumulation	1.50		1.0013	
NET PROPERTY	07 - life - property	431308679	Accumulation	1.50	0.9120	0.9731	6.70
NET DISTRIBUTION BOND	04 - life - other managed fund	1183990911	Accumulation	1.50	2.0415	2.1502	5.32
THS EX MANAGED	14 - individual pension - other managed fund	2340133328	Accumulation	0.75	6.9366	7.5914	9.44
INVESCO EX MANAGED	12 - individual pension - balanced managed fund	1260236166	Accumulation	0.75	3.7727	4.1825	10.86
GAM EX MANAGED	14 - individual pension - other managed fund	478824083	Accumulation	0.75	2.0290	2.2836	12.55
SCHRODER EX MANAGED	12 - individual pension - balanced managed fund	821947059	Accumulation	0.75	2.0411	2.2673	11.08
ARTISAN EX MANAGED	14 - individual pension - other managed fund	692572141	Accumulation	0.75	1.0583	1.2118	14.50
AXA FRAM EX MANAGED	12 - individual pension - balanced managed fund	752910786	Accumulation	0.75	1.1243	1.3008	15.70
POLARIS EX WORLDWIDE	12 - individual pension - balanced managed fund	521764436	Accumulation	0.75	0.8885	1.0886	22.52
EX UK EQUITY	15 - individual pension - UK equity	153753131	Accumulation	0.75	4.6677	5.1930	11.25
EX FAR EAST	16 - individual pension - overseas equity	316032348	Accumulation	0.75	3.6640	4.6985	28.23
EX CONTINENTAL EUROPE	14 - individual pension - other managed fund	101070165	Accumulation	0.75	5.7240	6.9329	21.12
EX DEPOSIT	13 - individual pension - defensive managed fund	244178499	Accumulation	0.75	2.1311	2.1268	(0.20)
EX CORPORATE BOND	14 - individual pension - other managed fund	128153158	Accumulation	0.75	1.2659	1.4399	13.75

Long-term insurance business: Unit prices for internal linked funds

Form 55
(continuation sheet)

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

Total business

Financial year ended **31st December 2010**

Units **£000**

Fund name **1**	Type of fund **2**	Net assets **3**	Main series **4**	Unit mgmt charge **5**	Price at previous valuation date **6**	Price at current valuation date **7**	Change in price during year **8**
EX PROPERTY	17 - individual pension - property	182541304	Accumulation	0.75	1.0836	1.1741	8.35

Long-term insurance business: distribution of surplus **Form 58**

Name of insurer	**St. James's Place UK Plc**
Total business / subfund	**Total Long-term insurance business**
Financial year ended	**31st December 2010**
Units	**£000**

		Financial year **1**	Previous year **2**
Valuation result			
Fund carried forward	**11**	18241661	14524822
Bonus payments in anticipation of a surplus	**12**		
Transfer to non-technical account	**13**	15000	10000
Transfer to other funds / parts of funds	**14**		
Subtotal (11 to 14)	**15**	18256661	14534822
Mathematical reserves	**21**	18174924	14451866
Surplus including contingency and other reserves held towards the capital requirements (deficiency) (15-21)	**29**	81737	82956
Composition of surplus			
Balance brought forward	**31**	72956	68688
Transfer from non-technical account	**32**		
Transfer from other funds / parts of fund	**33**		
Surplus arising since the last valuation	**34**	8781	14268
Total	**39**	81737	82956
Distribution of surplus			
Bonus paid in anticipation of a surplus	**41**		
Cash bonuses	**42**		
Reversionary bonuses	**43**		
Other bonuses	**44**		
Premium reductions	**45**		
Total allocated to policyholders (41 to 45)	**46**		
Net transfer out of fund / part of fund	**47**	15000	10000
Total distributed surplus (46+47)	**48**	15000	10000
Surplus carried forward	**49**	66737	72956
Total (48+49)	**59**	81737	82956
Percentage of distributed surplus allocated to policyholders			
Current year	**61**		
Current year - 1	**62**		
Current year - 2	**63**		
Current year - 3	**64**		

Long-term insurance capital requirement **Form 60**

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

Global business

Financial year ended **31st December 2010**

Units **£000**

		LTICR factor	Gross reserves / capital at risk	Net reserves / capital at risk	Reinsurance factor	LTICR Financial year	LTICR Previous year
		1	2	3	4	5	6
Insurance death risk capital component							
Life protection reinsurance	**11**	0.0%					
Classes I (other), II and IX	**12**	0.1%	19395	990		10	10
Classes I (other), II and IX	**13**	0.15%	147013	26374	0.50	110	167
Classes I (other), II and IX	**14**	0.3%	2201162	459594		3302	3799
Classes III, VII and VIII	**15**	0.3%	2807882	688496	0.50	4212	4249
Total	**16**		5175452	1175454		7634	8225
Insurance health risk and life protection reinsurance capital component							
Class IV, supplementary classes 1 and 2 and life protection reinsurance	**21**					693	693
Insurance expense risk capital component							
Life protection and permanent health reinsurance	**31**	0%					
Classes I (other), II and IX	**32**	1%	22276	16280	0.85	189	108
Classes III, VII and VIII (investment risk)	**33**	1%	46584	43381	0.93	434	217
Classes III, VII and VIII (expenses fixed 5 yrs +)	**34**	1%					
Classes III, VII and VIII (other)	**35**	25%				17751	15819
Class IV (other)	**36**	1%	42196	16626	0.85	359	351
Class V	**37**	1%					
Class VI	**38**	1%					
Total	**39**					18733	16495
Insurance market risk capital component							
Life protection and permanent health reinsurance	**41**	0%					
Classes I (other), II and IX	**42**	3%	22276	16280	0.85	568	325
Classes III, VII and VIII (investment risk)	**43**	3%	46584	43381	0.93	1301	650
Classes III, VII and VIII (expenses fixed 5 yrs +)	**44**	0%					
Classes III, VII and VIII (other)	**45**	0%	18098637	18098637			
Class IV (other)	**46**	3%	42196	16626	0.85	1076	1053
Class V	**47**	0%					
Class VI	**48**	3%					
Total	**49**		18209693	18174924		2945	2028
Long term insurance capital requirement	**51**					30005	27441

ABSTRACT OF VALUATION REPORT

1 Introduction

1.1 Date of this actuarial investigation: 31 December 2010

1.2 Date of the previous valuation: 31 December 2009

1.3 Interim valuations Not applicable

2 Product Range

The following changes to the product range were made during the year:

The Income Distribution Bond was closed to new business from 8th February 2010, but remains open for additional investments to existing plans.

From the same date, the Investment Bond was enhanced to provide access to the company's distribution funds and the annual policy fee (where relevant) was amended to £32.79 for new plans (£23.17 for business written before February).

3 Discretionary charges and benefits

3.1 Market Value Reductions: Not applicable

3.2 Reviewable Protection Business

The following premiums have been reviewed during the year.

Product Type	% of cases with premium change	% of cases with no premium change	Range of change to premium (%)	
			Minimum	Maximum
Conventional stand alone critical illness	23.3%	15.7%	(8%)	222%
Conventional income protection	12.4%	0.2%	(22%)	192%
Unit linked whole of life	12.4%	7.6%	(81%)	484%
Unit linked term assurance	27.0%	19.6%	(98%)	363%
Unit linked stand alone critical illness	16.0%	3.7%	(65%)	262%
Unit linked income protection	67.3%	17.9%	(93%)	50%

3.3 Non-Profit Deposit Admin Contracts: Not applicable

3.4 Service Charges on Linked Contracts

The service charges on linked policies were increased by 1.1% during 2010, in line with the increase in National Average Earnings.

3.5 Benefit Charges on Linked Business

There have been no changes to the level of benefit charges during the year.

3.6 Unit Management Charges

The level of the Investment Management Fees on the following funds was changed during the year:

Fund	Fund Size at 31/12/10 (£bn)	Investment Management Fee at 31/12/09	Investment Management Fee at 31/12/10
AXA Framlington Managed	1.35	0.50% pa	0.43% pa
Invesco Perpetual Managed	2.32	0.44% pa	0.38% pa
Global Managed (Life)	0.52	0.38% pa	0.43% pa
Global Managed (Pensions)	0.69	0.38% pa	0.51% pa
Schroder Managed	1.54	0.30% pa	0.26% pa
UK and General Progressive *	0.01	n/a	0.63% pa
Greater European *	0.01	n/a	0.63% pa
Global Emerging Markets *	0.11	n/a	0.63% pa
International Corporate Bond *	0.14	n/a	0.53% pa
UK Absolute Return *	0.19	n/a	1.38% pa **
UK & International Income *	0.02	n/a	0.63% pa

* New funds launched during the year.
** The Investment management fee shown for this fund includes a 0.6% allowance for the performance-related fee (based on the fund outperforming its benchmark by 3% each year).

3.7 Unit Pricing

(a) The methods used for creating and cancelling units in the various internal linked funds and for determining the prices at which units of those funds are allocated to and cancelled from policies are as follows:

Creation of units

For each unit created, an amount equal to the creation price of a unit at the time of creation is paid into the fund. The creation price is calculated as the offer value of the fund divided by the number of units in issue.

The offer value of the fund is deemed to be the value of the fund's assets at market offered prices together with notional acquisition costs and non-invested assets including accrued income attributable to the fund, reduced by a provision for unrealised capital gains tax attributable to the fund.

Cancellation of units

For each unit cancelled, an amount equal to the cancellation price of a unit at the time of cancellation is paid out of the fund. The cancellation price is calculated as the bid value of the fund divided by the number of units in issue.

The bid value of the fund is deemed to be the value of the fund's assets at market bid prices less notional disposal costs, together with non-invested assets including accrued income attributable to the fund, reduced by a provision for unrealised capital gains tax attributable to the fund.

Prices for allocating and cancelling units from policies

The company adopts a policy of forward pricing i.e. any transaction will receive the next available price.

The prices at which units may be allocated to and cancelled from policies are determined at the start of each working day. All funds are priced at the absolute discretion of the Company.

A fund will be priced on an offer basis where there is a trend of net inflows to the fund or where on any one day there is a significant cash inflow.

For a fund priced on an offer basis the unit offer price is determined as the unit creation price divided by 0.95. The result is rounded to the nearer 0.1p. The unit bid price is determined as the unit creation price rounded to the nearer 0.1p.

A fund will be priced on a bid basis where there is a trend of net outflows from the fund or where on any one day there is a significant cash outflow.

For a fund priced on a bid basis the unit bid price is determined as the unit cancellation price rounded to the nearer 0.1p. The unit offer price is determined as the unit cancellation price divided by 0.95. The result is rounded to the nearer 0.1p.

(b) The unit pricing basis is the same for all policies.

(c) Collective investment scheme assets are valued at the price ruling on the valuation date.

3.8 Tax Deductions and Tax Provisions in Internal Linked Funds

All taxation calculations are performed on a calendar year basis and are performed as though each unit fund were an independently entity subject to tax. The cumulative provision for tax on Income less expenses, Realised capital gains and Deemed disposals is cleared by payment to/from non-linked funds monthly.

Pension funds – No allowance is made for UK tax, although overseas tax may be deducted at source.

Life funds – The methods and rates for tax used during the report period were as follows:

Income less expenses

Where the total "income" of the fund (including notional income on the "marked to market" adjustments for gilts and bonds) exceeded the management expenses, a tax provision of 20% is applied. This takes into account any taxation at source already deducted on the income.

Where the total cumulative year to date income is exceeded by the total year to date expenses no tax charge is applied, and the excess expenses are used to offset realised gains with any surplus being carried forward to offset future income.

Realised capital gains

In respect of each asset sold, a separate assessment for capital gains tax is made.

On a year to date basis, where there are cumulative realised capital gains in excess of realised capital losses and allowances, a tax provision is made, currently at a tax rate of 20%. Where there are cumulative realised losses, no provision is made and the loss is carried forward to offset against future realised capital gains.

Deemed disposals

Any actual disposal of unit trusts is dealt with as a realised capital gain or loss as above.

At the end of each calendar year, any holdings in unit trusts are "deemed" to have been disposed of and a "deemed" gain (or loss) is calculated. 1/7th of the deemed gain taxed is assessed for tax in the current year with other realised capital gains (see above). The remaining gain is assessed over the following 6 years, with other carried forward deemed gains, and a provision calculated taking into account a market interest rate of a suitable term. Where the overall assessment for tax on future gains is negative no provision is made.

Unrealised capital gains

To the extent that capital gains and losses exist in a fund, and have not been realised, a provision for unrealised capital gains tax may be established.

If the total unrealised capital gain (net of allowances) exceeds the total unrealised capital loss plus any excess realised losses plus any carried forward negative deemed disposal balance, a provision is made at a rate of 19.5% (17.5% for the property fund) on the excess. If the balance is negative then no provision is made.

3.10 Internal Linked Fund Investments in other Unit Holdings

Where units in permitted scheme interests are held by an internal linked fund, such units are bought on behalf of the company at creation price and sold at cancellation price. In addition, any annual management charges on such units held by internal linked funds are fully rebated as cash to the internal linked fund to avoid any double charging.

In valuing the property of the internal linked fund any units, as described above, will be valued at their most recently calculated price.

4 Valuation basis (other than for special reserves)

4.1 Basis and method of the valuation

A prospective valuation basis has been used for all business.

For prudence, any negative liability for a non-linked policy has been limited to 33% of the calculated net liability.

PHI claims in payment are valued with due allowance made for claims escalation and the recovery rates assumed are based on internal and industry experience. Allowance is also made for a level of mortality. Claims under consideration are treated as being in payment.

For investment-linked contracts, the reserve held is the cancellation value of units allocated, multiplied by the appropriate funding factor, together with a sterling reserve sufficient to cover the future cash flows for each policy without recourse to additional capital. Where the sterling reserve for a policy is negative, it has been restricted so that the total reserve for the policy is not less than the surrender value.

For all reviewable conventional business contracts the current margin for prudence in the valuation basis is assumed to be retained at all future review dates.

In general the reduction in sterling reserves due to reassurance has been calculated assuming a continuation of the current reassurance rates. The retention levels for all classes of business are based on the current level, which is assumed to apply at future dates.

4.2 Interest Rates

The following parameters were used in the valuation:

	December 2010	December 2009
Conventional business:		
Interest (net of tax)	2.8 % per annum	3.0 % per annum
Unit-linked business:		
Interest (gross of tax)	3.5 % per annum	4.0 % per annum
Interest (net of tax)	2.7 % per annum	3.2 % per annum

4.3 Risk Adjusted Yield

No adjustment was made to the yield on approved securities. Only stocks rated as AAA and issued or guaranteed by approved financial institutions were held at the valuation date.

4.4 Mortality Bases

No changes have been made since the previous year.

The mortality tables used for Investment Bond business are:

Males: 90% of AM92 ult
Females: 90% of AF92 ult

The mortality tables used for all other business are as follows:

Males: 72% of TM92 sel
Females: 72% of TF92 sel

A loading of 75% was applied for smokers in respect of all business except Investment Bond.

4.5 Morbidity Rates

A) Critical Illness Rates

No changes have been made since the previous year.

The morbidity tables used for all contracts were non-standard and example rates are set out below.

Stand Alone Critical Illness Rates

Sample annual rates per £1,000 benefit are as follows:

Age next birthday	Males		Females	
	Non smoker	Smoker	Non smoker	Smoker
25	0.760	1.180	0.790	0.924
35	1.334	2.064	2.122	2.632
45	3.189	6.578	4.565	8.165
55	9.189	20.235	8.832	18.726

Accelerated Critical Illness Rates

Sample annual rates per £1,000 benefit are as follows:

Age next birthday	Males		Females	
	Non smoker	Smoker	Non smoker	Smoker
25	1.094	1.698	0.726	0.848
35	1.313	2.031	1.584	1.964
45	2.831	5.840	3.263	5.836
55	7.221	15.900	6.313	13.384

The above rates apply to lives in Occupation Classes 1 and 2. For other occupation classes a multiplicative factor of 1.5 is applied to each set of rates.

During the first plan year, the rates for stand-alone benefits are reduced by 10% and the rates for accelerated benefits are reduced by 25%.

B) Permanent Health Insurance Rates

A modified CMIR12 table has been used for Permanent Health Insurance business. No changes have been made since the previous year.

Sample annual risk premium rates per £100 per annum income benefit are as follows:

Male age next birthday	Expiry age 65: Deferred period			
	4 weeks	13 weeks	26 weeks	52 weeks
25	0.849	0.477	0.247	0.160
35	2.304	1.258	0.672	0.617
45	4.667	2.729	1.843	2.232
55	8.154	5.225	3.978	4.396

Male age next birthday	Expiry age 60: Deferred period			
	4 weeks	13 weeks	26 weeks	52 weeks
25	0.808	0.449	0.233	0.150
35	2.088	1.127	0.600	0.547
45	3.816	2.197	1.472	1.762
55	4.588	2.804	2.053	2.109

Male age next birthday	Expiry age 55: Deferred period			
	4 weeks	13 weeks	26 weeks	52 weeks
25	0.760	0.417	0.215	0.138
35	1.841	0.978	0.518	0.469
45	2.843	1.593	1.052	1.228
55	0.515	0.186	0.060	0.000

The above rates apply to males in Occupation Class 1. For other categories multiplicative factors are applied as follows:

Category			Occupation class		
	Smokers	Females	2	3	4
Factor	1.33	1.5	1.75	3.0	4.0

For claims in payment, specimen recovery rates per week per 1,000 claims, assumed at durations 2 and 5 years, are as follows:

Age next birthday at claim	Duration 2	Duration 5
25	7.959	1.365
35	6.037	0.998
45	4.110	0.630
55	2.180	0.262

C) Waiver of Contribution Benefits

Sample waiver of contribution rates used in the sterling reserve calculations for business written up to 3 November 2003 are as follows. For business written on or after 1 October 1996, the rates applicable are 80% of the rates shown. Female rates are 150% of the male rates.

No changes have been made since the previous year.

Waiver of Contribution Rates (annual rates per £100 per month benefit)

Age next birthday	Males	
	Level	Escalating
25	0.250	0.256
35	0.490	0.544
45	1.190	1.328
55	2.790	2.712

For business written on or after 3 November 2003 sample waiver of contribution rates used in the sterling reserve calculations are as follows. Female rates are 175% of the male rates, and a multiplicative factor of 1.33 is also applied to the rates for smokers.

Waiver of Contribution Rates (annual rates per £100 per month benefit)

Age next birthday	Males, Non-smokers	
	Level	Escalating
25	0.149	0.230
35	0.416	0.645
45	1.119	1.614
55	2.926	3.650

4.6 Expense Assumptions

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

	December 2010 Renewal	December 2009 Renewal
Life business		
Protection plans	£35.32	£34.22
Investment bonds	£22.59	£21.82
Pension business		
All pension plans	£44.22	£42.82

Tax relief at 20% is assumed on non-pensions business.

Unit Growth Rates and Inflation

The parameters used in the valuation were as follows:

		December 2010	December 2009
Unit Growth (gross of tax and before management charges)		4.6% p.a.	4.0 % p.a.
Unit Growth (net of tax and before management charges)		3.6 % p.a.	3.2 % p.a.
Expense Inflation		3.7% p.a.	3.3 % p.a.
Investment expenses:	UK contracts	0.42 % p.a. of fund	0.42 % pa of fund
	Swedish contracts	1.0 % p.a. of fund	1.0 % pa of fund
Policy fee inflation		4.7% p.a.	3.9% p.a.

4.7 Bonus Rates

Not applicable

4.8 Lapse, Surrender and Paid-up Assumptions

Product		Average lapse /surrender / paid-up rate for the policy years			
		1-5	6-10	11-15	16-20
Level Term	Lapse	10%	8%	7%	7%
Decreasing Term	Lapse	10%	8%	7%	7%
Accelerated Critical Illness	Lapse	10%	8%	7%	7%
Income Protection	Lapse	10%	8%	7%	7%
UL bond	Surrender	3%	5%	5%	5%
UL bond	Automatic withdrawals	100% of current			
UL indiv pension regular premium	PUP	100% where this gives a higher reserve, 0% otherwise			
UL indiv pension regular premium	surrender	3%	3%	4%	6%
UL group pension regular premium	PUP	100% where this gives a higher reserve, 0% otherwise			
UL group pension regular premium	surrender	3%	3%	4%	7%
UL indiv pension single premium	surrender	4%	4%	5%	8%

Lapses as described above apply to all business.

4.9 Other Material Assumptions

A funding rate of interest of 4% per annum is used to derive the discounted value of capital units attaching to pension contracts.

For single premium life and pensions business the following funding factors were used to derive the discounted value of units attaching to the contracts.

Policy Year	Life contracts	Pension contracts *
1	95.4%	95.0%
2	96.0%	95.8%
3	96.6%	96.7%
4	97.3%	97.5%
5	98.1%	98.3%
6	99.0%	99.2%
7	100.0%	100.0%

* For pensions business, the funding term is restricted to the period up to age 55. Where the funding term is less than 6 years, the funding factors shown above are increased to allow for the shorter funding term.

For regular premium Personal Retirement Plan (Series 4), Additional Retirement Plan (Series 4) and Executive Retirement Plan (Series 4), the single premium funding scale shown above is applied to the premiums paid in the 6 year period prior to the valuation date.

4.10 Allowance For Derivative Contracts

No derivatives or contracts or assets having the effect of derivatives were held outside the internal funds.

4.11 Impact of INSPRU Rules Changes

Changes to the valuation methodology were implemented at the valuation on 31 December 2006.

5 Options and Guarantees

5.1 Guaranteed Annuity Rates

There are no guaranteed annuity options.

5.2 Guaranteed Surrender and Maturity Values

There are no investment performance guarantees, guaranteed surrender values or guaranteed maturity values.

5.3 Guaranteed Insurability Options

Allowance is made for possible adverse mortality experience arising from the exercise of guaranteed insurability options under non-linked term assurance contracts. This is achieved by the application of loadings of at least 3% on the mortality rates used, 15% on the critical illness rates used and 20% on the PHI morbidity rates used in the calculation of the reserves.

5.4 Other Guarantees and Options

There are no other guarantees or options.

6 Expense reserves

6.1 Aggregate Amount of Expense Loadings

The aggregate amount of expense loadings arising during the twelve months after the valuation date from the release of the explicit per policy expense allowances made in the valuation to meet expenses in fulfilling contracts in force at the valuation date is as follows, figures in £m:

Homogenous risk group	Implicit allowances	Explicit allowances (investment) *	Explicit allowances (other)	Non-attributable expenses	Total
Investment Business	£0.0m	£26.7m	£2.6m	£1.2m	£30.5m
Pension Business	£0.0m	£25.4m	£9.0m	£4.1m	£38.4m
Protection Business	£0.0m	£0.5m	£1.6m	£0.7m	£2.8m
All expenses attributable	N/A	N/A	N/A	N/A	N/A
Total	£0.0m	£52.6m	£13.2m	£6.0m	£71.7m

* Explicit allowances (investment) includes only investment advisor fees charged directly to the company. Investment advisor fees met by the underlying unit trusts are excluded.

6.2 Basis of Calculating Implicit Allowances: Not applicable

6.3 Reconciliation to Line 14 of Form 43:

The expenses projected for 2011 (£71.7m – see table in 6.1) exceed the actual level of expense reported for 2010 (£68.7m – see Line 14 of Form 43). This mainly reflects the impact on investment expenses of the anticipated growth in average funds under management during 2011 but is partially offset by a reduction in the proportion of investment advisor fees that are being charged directly to SJPUK.

During 2010 a number of funds moved from being directly invested to investing via a unit trust. As a result of the change the investment advisory fees incurred by the company on those funds after the change reduced to zero. Fees on these funds will be lower in 2011 compared to 2010 as this will the first year where the fee for the whole year is zero.

The company believes that the expense loadings in the valuation remain prudent.

6.4 New Business Expense Overrun Reserve

The requirement in respect of expenses of continuing to transact new business in the twelve months following the valuation dates has been assessed by comparing the total acquisition expenses likely to be incurred with a prudent assessment of the economic value of new sales during the same period and no provision is required.

6.5 Maintenance Expense Overrun Reserve

No additional allowance was held to provide for the costs of the company ceasing to transact new business twelve months after the valuation date as such costs (including redundancy costs and the costs of terminating management agreements) would be more than covered by a prudent assessment of the profits emerging from the business in force at that time.

6.6 Non-attributable Expense Reserve

A reserve for non-attributable expenses has been calculated by considering the level of ongoing expense compared to a prudent assessment of the profits emerging from the business in each category. Since the profits are expected to exceed the expenses the reserve has been set at zero.

Homogenous risk group	Reserve for non-attributable expenses
Investment Business	0
Pension Business	0
Protection Business	0
Total	0

7 Mismatching reserves

7.1 Deposits Received from Reinsurers: Not applicable

7.2 Not applicable

7.3 Currency Mismatching

All assets and liabilities held in respect of mathematical reserves (other than liabilities for property linked benefits) are denominated in sterling.

7.4 Most Onerous Resilience Requirement Scenario (UK)

In accordance with INSPRU 3.1.16, the amount of long-term liabilities has been tested against two scenarios. These are the combination of an immediate fall in the value of unit prices of 10% and a reduction or increase in fixed-interest yields of 20% of the long-term gilt yield.

The most onerous requirement was produced by a fall in fixed-interest yields.

7.5 Overseas Resilience Requirement Scenario: Not applicable.

7.6 Resilience Capital Requirement

In respect of the scenario described under 7.4 above:

(a) the amount of the resilience capital requirement was £3,527,000.
(b) the aggregate amount of the long term insurance liabilities increased by £9,905,000.
(c) the aggregate amount of the assets allocated to match the liabilities increased by £6,378,000.

8 Other Special Reserves

A reserve of £38,971,000 was held to meet the potential liability for tax in future years arising on deemed disposal of unit trust investments. The future liability was discounted at 1.7% per annum.

No other special provisions were held that exceeded 0.1% of total mathematical reserves.

9 Reinsurance

9.1 Reinsurance on a Facultative Basis to a Reinsurer Not Authorised in the UK

No facultative reinsurance premiums were payable by the company during the year to reinsurers who are not permitted to carry on business in the United Kingdom.

9.2 Significant Treaty Reinsurance

The Company has only two significant reinsurance treaties. The details are as follows.

Risk benefit reassurance

(d) Munich Reinsurance Company

(e) This treaty covers contracts that were sold before 19 March 2003. Life-cover only conventional term assurances sold after 1 July 2001 are covered on an original terms basis and all other products on a risk premium basis.

For death and critical illness policies the Company's typical retention is 20% of each policy subject to a maximum of £150,000 initial sum insured on any one life.

For PHI benefits the typical retention is 50% of each policy subject to a maximum of £5,000 p.a. on any one life.

(f) The premiums payable by the company under this treaty during the year were £15,064,000.

(g) There are no deposit back arrangements.

(h) The treaty is closed to new business.

(i) There is no un-discharged obligation.

(j) The amount of mathematical reserves held has reduced by £23,316,000 as a result of this treaty.

(k) New business retention: Not applicable

(l) The reinsurer is authorised to carry on insurance business in the UK.

(m) The reinsurer is not a connected company of SJPUK.

(n) This treaty is not subject to any material contingencies.

(o) No reinsurance commission is payable under this treaty.

Insurance Special Purpose Vehicle

(d) St James's Place Reassurance (2009) Ltd

(e) This reassurance covers new pensions business sold from 2009 onwards and provides reassurance of 100% of the non-unit cashflows

(f) The premiums payable by the company under this treaty during the year were £35,596,000.

(g) There are no deposit back arrangements.

(h) The treaty is annually renewable and will be open to new business in 2011.

(i) There is no un-discharged obligation.

(j) The amount of mathematical reserves held has reduced by £1,033,000 as a result of this treaty.

(k) 100% of the non-unit cashflows on new pensions business are reassured.

(l) The reinsurer is authorised to carry on insurance business in the UK.

(m) The reinsurer is a wholly owned subsidiary of the shareholder fund of SJPUK.

(n) This treaty is not subject to any material contingencies.

(o) There is no liability for the insurer to refund reassurance commission in the event of the lapse or surrender of the contract.

10 Reversionary (or annual) bonus

The company has no with profit policies.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2010

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

We certify:

1 (a) that the return has been properly prepared in accordance with the requirements in IPRU(INS), GENPRU and INSPRU; and:

(b) we are satisfied that:

(i) throughout the financial year, the insurer has complied in all material respects with the requirements of SYSC and PRIN as well as the provisions of IPRU (INS), GENPRU and INSPRU; and

(ii) it is reasonable to believe that the insurer has continued so to comply subsequently and will continue so to comply in future.

2 (a) that in our opinion premiums for contracts entered into during the financial year and the resulting income earned are sufficient, under reasonable actuarial methods and assumptions, and taking into account the other financial resources of the insurer that are available for the purpose, to enable the insurer to meet its obligations in respect of those contracts and, in particular, to establish adequate mathematical reserves;

(b) the sum of the mathematical reserves and the deposits received from reinsurers as shown in Form 14 constitute proper provision at the end of the financial year in question for the long-term insurance liabilities (including all liabilities arising from deposit back arrangements, but excluding other liabilities which had fallen due before the end of the financial year) including any increase in those liabilities arising from a distribution of surplus as a result of an actuarial investigation as at that date into the financial condition of the long-term insurance business;

(c) that we have, in preparing the return, taken and paid due regard to advice from every actuary appointed by the insurer to perform the actuarial function in accordance with SUP 4.3.13R.

D C Bellamy, Chief Executive

A M Croft, Finance Director

D J Lamb, Director

29 March 2011

ST. JAMES'S PLACE UK PLC

Global business

Financial year ended 31 December 2010

Independent auditors' report to the directors pursuant to rule 9.35 of the Interim Prudential Sourcebook for Insurers

We have audited the following documents prepared by the insurer pursuant to the Accounts and Statements Rules set out in Part I and Part IV of Chapter 9 to IPRU(INS) the Interim Prudential Sourcebook for Insurers, GENPRU the General Prudential Sourcebook and INSPRU the Prudential Sourcebook for Insurers ('the Rules') made by the Financial Services Authority under section 138 of the Financial Services and Markets Act 2000:

- Forms 2, 3, 11 to 16, 40 to 45, 48, 49, 58 and 60 (including the supplementary notes) on pages 1 to 39 and 56 to 61, ('the Forms');
- the statement required by IPRU(INS) rule 9.29 on page 63 ('the statement'); and
- the valuation report required by IPRU(INS) rule 9.31(a) on pages 40 to 51 ('the valuation report').

We are not required to audit and do not express an opinion on:

- Forms 46, 47, 51, 53 and 55 (including the supplementary notes) on pages 23 to 37 and 62;
- the statements required by IPRU(INS) rules 9.30 on page 64; and
- the certificate required by IPRU(INS) rule 9.34(1) on pages 52 to 53.

Respective responsibilities of the insurer and its auditors

The insurer is responsible for the preparation of an annual return (including the Forms, the statement and the valuation report) under the provisions of the Rules. The requirements of the Rules have been modified by a direction issued under section 148 of the Financial Services and Markets Act 2000 on 31 December 2008. Under IPRU(INS) rule 9.11 the Forms, the statement and the valuation report are required to be prepared in the manner specified by the Rules and to state fairly the information provided on the basis required by the Rules. The methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report are required to reflect appropriately the requirements of INSPRU 1.2.

It is our responsibility to form an independent opinion as to whether the Forms, the statement and the valuation report meet these requirements, and to report our opinion to you. We also report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Forms, the statement and the valuation report are not in agreement with the accounting records and returns; or

- we have not received all the information we require for our audit.

This report has been prepared for the directors of the insurer to comply with their obligations under IPRU(INS) rule 9.35 and for no other purpose. We do not, in providing this report, accept or assume responsibility for any other purpose save where expressly agreed by our prior consent in writing.

Basis of opinion

We conducted our work in accordance with Practice Note 20 'The audit of insurers in the United Kingdom (Revised)' issued by the Auditing Practices Board. Our work included examination, on a test basis, of evidence relevant to the amounts and disclosures in the Forms, the statement and the valuation report. The evidence included that previously obtained by us relating to the audit of the financial statements of the insurer for the financial year. It also included an assessment of the significant estimates and judgements made by the insurer in the preparation of the Forms, the statement and the valuation report.

We planned and performed our work so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the Forms, the statement and the valuation report are free from material misstatement, whether caused by fraud or other irregularity or error and comply with IPRU(INS) rule 9.11.

In accordance with IPRU(INS) rule 9.35(1A), to the extent that any document, Form, statement, analysis or report to be examined under IPRU(INS) rule 9.35(1) contains amounts or information abstracted from the actuarial investigation performed pursuant to IPRU(INS) rule 9.4, we have obtained and paid due regard to advice from a suitably qualified actuary who is independent of the insurer.

Opinion

In our opinion:

(i) the Forms, the statement and the valuation report fairly state the information provided on the basis required by the Rules as modified and have been properly prepared in accordance with the provisions of those Rules; and

(ii) the methods and assumptions determined by the insurer and used to perform the actuarial investigation as set out in the valuation report appropriately reflect the requirements of INSPRU 1.2.

PricewaterhouseCoopers LLP
Chartered Accountants

29 March 2011

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2010

NOTES TO THE RETURN

0201 Effect of Direction under Section 148 of the Act

The Financial Services Authority, on the application of the firm, made a direction in December 2008 with effect on 1 January 2009, under section 148 of the Financial Services and Markets Act 2000. The effect of the direction was to allow the firm to:
(i) take full credit when calculating its mathematical reserves in accordance with INSPRU 1.2 for its reinsurance with the intra-group ISPV, St James's Place Reassurance (2009) Limited, under the reassurance agreement dated 31 December 2008 (as amended);
(ii) to allow the reinsurance debts owed to the firm by the ISPV to be admissible; and
(iii) to require the firm, when calculating its capital resources, to value the contingent loan to St James's Place Reassurance (2009) Limited under the contract with the firm, dated 31 December 2008, at zero.

0301 Reconciliation of net admissible assets to total capital resources after deductions

	2010	2009
	£'000	£'000
Total admissible assets	18,488,690	14,631,398
Mathematical reserves	(18,174,924)	(14,451,866)
Other insurance and non-insurance liabilities	(212,287)	(84,342)
Foreseeable dividend	(15,000)	(10,000)
Net admissible assets	86,479	85,190
Adjustments to capital resources	-	-
Total capital resources after deductions	86,479	85,190

0310 Details of positive valuation differences (line 14)

	2010	2009
	£'000	£'000
Tax on deferred acquisition costs	(141,250)	(124,664)
Deferred income	(198,835)	(170,129)
Tax on deferred income	25,320	23,162
Net investment reserves	7,346	10,682
Foreseeable dividend	15,000	10,000
Intercompany amounts receivable	-	(163)
Total positive valuation difference	(292,419)	(251,112)

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2010

NOTES TO THE RETURN

0311 Details of inadmissible assets (line 73)

	2010	2009
	£'000	£'000
Deferred acquisition costs	523,146	445,230
Deferred tax asset	64,350	61,218
Contingent loan to SJP Reassurance (2009) Limited	72,754	30,376
Total inadmissible assets	660,250	536,824

0313 Reconciliation of profit and loss account and other reserves (Form 3 line 12) to profit and loss retained (Form 16 line 59)

	2010	2009
	£'000	£'000
Profit and loss account and other reserves – Form 3 line 12	326,659	250,945
Prior year profit and loss account and other reserves	(250,945)	(219,680)
Prior year foreseeable dividend	10,000	30,000
Difference between the balance on long term business technical account and Form 16 line 13	(70,899)	(56,403)
Current year foreseeable dividend	(15,000)	(10,000)
Profit and loss retained – Form 16 line 59	(185)	(5,138)

1305 OLTB: Maximum Counterparty limit

The maximum counterparty limit in respect of deposits held by the company in any one approved credit institution is £15 million.

The maximum counterparty limit in respect of investments held by the company in any one collective investment scheme regulated under the UCITS directive, which are represented by AAA rated money market funds, is £50 million.

The maximum counterparty limit in respect of other assets is £1,950,000 for companies outside the St. James's Place plc group.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2010

NOTES TO THE RETURN

1319 LTB: Maximum Counterparty limit

The maximum counterparty limit in respect of deposits held by the company in any one approved credit institution is £15 million.

The maximum counterparty limit in respect of investments held by the company in any one collective investment scheme regulated under the UCITS directive, which are represented by AAA rated money market funds, is £50 million.

The maximum counterparty limit in respect of other assets is £1,950,000 for companies outside the St. James's Place plc group.

1401 Provision for reasonably foreseeable adverse variations (F14 L41)

The company was not party to any contract at any time during the year which could require a provision for adverse variations.

1402 Additional information in relation to IPRU (INS) Appendix 9.1 paragraph 13 (1)

No charge has been made on the assets of the company to secure the liabilities of other persons.

The potential capital gains tax liability is £37,436,000.

There were no other contingent liabilities, guarantees, indemnities or other contractual commitments effected other than in the normal course of business and in respect of related companies and any other fundamental uncertainties.

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

	2010	2009
	£'000	£'000
Deferred income	(198,835)	(170,129)
Tax on deferred income	25,320	23,162
Net investment reserves	7,346	10,682
Deferred tax asset	64,350	61,218
	(101,819)	(75,067)

1501 Provision for reasonably foreseeable adverse variations (F15 L61)

The company was not party to any contract at any time during the year which could require a provision for adverse variations.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2010

NOTES TO THE RETURN

1502 Additional information in relation to IPRU (INS) Appendix 9.1 paragraph 13 (1)

There were no charges over assets, potential capital gains tax liabilities, contingent liabilities, guarantees, indemnities or other contractual commitments effected other than in the normal course of business and in respect of related companies and any other fundamental uncertainties.

1507 Other adjustments

This represents a foreseeable dividend recognised in Form 15 Line 83 which does not meet the requirements for disclosure in the Statutory Accounts.

1601 Basis of foreign currency conversion

Income and expenditure in foreign currencies have been brought into account at the rates ruling at the dates of the transaction.

1603 Other income and charges included at Form 16 line 21

The entry represents a recharge of £216,000 from the policyholders to the shareholders for recovery of costs incurred in the administration of shareholder investments.

1700 Omission of form

Form 17 has been omitted because all entries (including comparatives) would be blank.

4002 Amounts included in Form 40 lines 15 and 25

Interest of £735,000 received from the Company's insurance dependants has been included in Form 40 line 15. Transaction costs of £9,056,000 from the purchase and sale of investments been included in Form 40 line 25.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2010

NOTES TO THE RETURN

4008 Management Services

Administration services were provided throughout the year by Prudential UK Services Limited and Capita Life and Pensions Regulated Services Limited.

The internal linked funds are managed by: Taube Hodson Stonex Partners Limited (THS); INVESCO Asset Management Limited (INVESCO); Schroder Investment Management Limited (Schroders); Global Asset Management Limited (GAM); Wellington Management Company LLP; Reed Connor Birdwell LLC; Insight Investment Management (Global) Limited; Aberdeen Asset Managers Limited; AXA Investment Management Limited; Invista Real Estate Management Limited; Polaris Capital Management Inc; S.W. Mitchell Capital LLP; Jupiter Asset Management Limited; Svenska Handelsbanken Fonder AB (Swedish); Oldfield Partners LLP; RWC Partners Limited; Artemis Investment Management LLP; Artisan partners Limited Partnership;.BlackRock Advisers (UK) Limited; Babson Capital Europe Limited; Burgundy Asset Management Limited; J O Hambro Capital Management Limited; Liberty Square Asset Management LP; and First State Investment Management (UK) Limited.

4009 Disclosure of material connected-party transactions in relation to IPRU (INS) 9.39

St. James's Place Wealth Management plc, a fellow subsidiary, acts as an intermediary in the provision of financial services products and charged a distribution allowance of £50,174,000 to St. James's Place UK plc in respect of its role as introducer of its appointed representatives for the provision of life and pension products.

St. James's Place Management Services Limited, a fellow subsidiary, acts as the provider of management services to other group companies and charged £33,386,000 to St. James's Place UK plc in respect of its proportion of the goods and services incurred by the group.

St. James's Place Reinsurance (2009) Limited, an intra group ISPV, had £35,596,000 premiums and £85,562,000 claims reassured to it by St. James's Place UK plc, which are reflected in Forms 41 and 42, respectively.

In respect of the St. James's Place managed unit trusts that are held as investments in the St. James's Place life and pension funds, there was income recognised of £878.3 million (2009: £413.3 million) and the total value of transactions with these was £9,684.1 million (2009: £5,525.7 million).

4401 Basis for determining Asset Value

Listed investments are included at bid-market value. Units in unit trusts are included at published bid prices. Investment properties are included at market value. Deposits are included at cost. Derivatives are included at fair value. Other assets and liabilities are included at amortised cost.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2010

NOTES TO THE RETURN

4402 Derivative Contracts/Rights and Liabilities

The aggregate value of rights of derivative contracts held for internal linked funds was a liability of £4,183,000 at the year end (2009: asset of £14,042,000).

4502 Other Income and Expenditure

The entry in Form 45 line 14 represents commission received by the fund for underwriting IPOs.

The entry in Form 45 line 26 represents the following:

	2010	2009
	£'000	£'000
Distributions made	73,074	61,871
Investment transaction costs	9,056	13,950
Total other expenditure	82,130	75,821

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2010

NOTES TO THE RETURN

4701 There were no new direct group schemes.

5101 There was 1 group life scheme and 2 group critical illness schemes in force at the valuation date.

5104 Details of approximations used to apportion between product codes

For decreasing term assurance and rider benefits, the split of reassurance premiums and benefits has been calculated pro-rata on the basis of the underlying gross premium split. No other approximations were required.

5304 Details of approximations used to apportion between product codes

For decreasing term assurance and rider benefits, the split of reassurance premiums and benefits has been calculated pro-rata on the basis of the underlying gross premium split. No other approximations were required.

5701 Omission of form

Form 57 has been omitted as the non-linked mathematical reserves do not exceed £100 million.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2010

ADDITIONAL INFORMATION ON DERIVATIVE AND QUASI-DERIVATIVE CONTRACTS (IPRU (INS) RULE 9.29)

Shareholder Assets (Category 01)

The relevant information required by rule 9.29 (1) (a) to 9.29 (1) (i) is shown below:

- The use of derivatives were not permitted during the financial period.

Policyholder Assets (Category 10)

The relevant information required by rule 9.29 (1) (a) to 9.29 (1) (i) is shown below:

- The use of derivatives in the property linked funds is permitted as long as they satisfy the requirements of Appendix 3.2 and rule 3.7. The company's investment guidelines state that derivative contracts are used only for the purposes of reduction of investment risks or efficient portfolio management. The guidelines state that the company will at all times comply with relevant legislation and Guidance Notes and specifies that derivative contracts entered into will be capable of being readily closed out. Each fund management agreement specifies limits upon the use of derivatives within that fund. Derivatives used are listed on a regulated market or transacted with an approved counterparty. For non property linked funds the use of derivatives was not permitted during the financial period.

- Rule 9.29 (1) (b) (c) (h) (i) does not apply as the use of such derivatives is not permitted.

ST. JAMES'S PLACE UK plc

Financial year ended 31 December 2010

ADDITIONAL INFORMATION ON CONTROLLERS (IPRU (INS) RULE 9.30)

The following persons have been shareholder controllers during the financial year and had the following % shareholding and % voting power at the year end:

	% Shareholding	% Voting Power
Shareholder controller of St. James's Place UK plc		
St. James's Place Wealth Management Group plc	100%	100%
Shareholder controllers of St. James's Place Wealth Management Group plc		
St James's Place plc	100%	100%
Shareholder controllers of St. James's Place plc		
HBOS Insurance & Investment Group Limited	60%	60%
Shareholder controllers of HBOS Insurance & Investment Group Limited		
Lloyds Banking Group plc	100%	100%