

St. James's Place Administration Limited

Directors' report and financial statements

Registered number 00740495

31 December 2012

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Directors' report

The directors present their directors' report and audited financial statements of the company for the year ended 31 December 2012

Principal activities

The principal activity of the Company is to provide office accommodation, central administration and other services for its parent undertaking, fellow subsidiaries and certain external undertakings

Results and business review

The financial statements for the year ended 31 December 2012 are set out on pages 6 to 11. The profit for the year is disclosed on page 6. The directors have transferred this to reserves without declaring a dividend (2011: nil). The results of the Company are consolidated in the group accounts of both St James's Place plc and Lloyds Banking Group plc.

The directors of St James's Place plc manage the group's operations on a group basis. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of St James's Place Administration Limited. The development, performance and position of St James's Place plc, which includes the Company, is discussed in the group's annual report, copies of which can be obtained from the address shown in Note 11 to these accounts.

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

The principal risks and uncertainties facing the Company relate to its net liability position. The company receives support from another group company, St James's Place plc. The directors do not anticipate any developments during 2013.

Going concern has been evaluated by the directors of the Company. They concluded that it was reasonable to expect the Company to remain a service company for a period of not less than 12 months from the date of signing of the financial statements. The Company has net liabilities and net current liabilities at the year end but another group company, St James's Place plc, has indicated that it will continue to provide financial support.

Directors

The directors who held office during the year and up to the date of signing of the financial statements were as follows:

D C Bellamy
A M Croft
H J Gladman

Employees

The Company has no employees (2011: nil).

Directors' Indemnity and Insurance


Lloyds Banking Group plc ("LBG"), the ultimate parent company, has taken out insurance covering Directors and officers against liabilities they may incur in their capacity as Directors or officers of LBG or its subsidiaries. All members of the Board of LBG and other senior employees who act as Directors of subsidiary companies are each granted indemnities whilst acting in their capacity as Directors or officers to the extent permitted by law. These indemnities are uncapped in amount and protect recipients from certain losses and liabilities that they may incur to third parties in connection with the furtherance of their duties as Directors or officers of LBG or its subsidiary companies. Copies of the indemnities are available to shareholders upon request. This is a qualifying third party indemnity provision and was in force during the financial year and at the date of approval of the financial statements.

Directors' report *(continued)*

Independent Auditors

The directors have elected to take advantage of the exemption from statutory audit granted to wholly-owned subsidiary undertakings by section 479A of the Companies Act 2006. In accordance with section 479C another group company, St James's Place Plc (incorporated in England and Wales with registered number 03183415) has guaranteed all outstanding liabilities of St James's Place Administration Limited as at 31 December 2012 and this guarantee has been filed at Companies House.

By order of the board



Jayne Meacham
Company Secretary

St James's Place House,
1 Tetbury Road,
Cirencester,
Gloucestershire
GL7 1FP
27 February 2013

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Profit and Loss Account
for the year ended 31 December 2012

	<i>Note</i>	2012 £000	2011 £000
Profit on ordinary activities before taxation	2	-	-
Tax on profit on ordinary activities	3	5	6
		<hr/>	<hr/>
Profit for the financial year	8	5	6
		<hr/>	<hr/>

All activities relate wholly to continuing United Kingdom operations

The Company has no recognised gains and losses other than those included in the results above and therefore a separate statement of total recognised gains and losses has not been presented

There is no material difference between the profit on ordinary activities before taxation and retained profit for the years stated above and their historical cost equivalents

Balance Sheet
as at 31 December 2012

	<i>Note</i>	2012 £000	2012 £000	2011 £000	2011 £000
Current assets					
Debtors	4	11,609		11,610	
Creditors amounts falling due within one year	5	(13,015)		(13,021)	
Net current liabilities, being net liabilities			(1,406)		(1,411)
Capital and reserves					
Called up share capital	6		18,000		18,000
Profit and loss account	7		(19,406)		(19,411)
Total shareholders' deficit	8		(1,406)		(1,411)

The notes on pages 8–11 form part of the financial statements

For the year ended 31 December 2012 the company was entitled to exemption from audit under section 479A of the Companies Act 2006. No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements on pages 6–11 were approved by the board of directors on 27 February 2013 and were signed on its behalf by



Andrew Croft
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom

Under FRS 1 (revised 1996) the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements

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

Taxation

The charge for taxation is based on the profit/loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

2 Remuneration of directors

None of the directors received any emoluments in respect of their services to the Company for the year (2011 nil)

The number of directors to whom retirement benefits are accruing is 3 (2011 3). The benefits are accrued in the pension scheme of St James's Place UK plc, a fellow subsidiary company

The number of directors who exercised options over the shares in St James's Place plc during the year is 3 (2011 3)

Notes (continued)

3 Tax on profit on ordinary activities

Analysis of credit in year

	2012 £000	2012 £000	2011 £000	2011 £000
Current tax				
UK corporation tax				
Current tax on income for the year	(5)		(6)	
	<u>(5)</u>		<u>(6)</u>	
Total current tax				
Tax on profit on ordinary activities		(5)		(6)
		<u>(5)</u>		<u>(6)</u>

Factors affecting the tax credit for the current year

The current tax credit for the year is lower (2011 lower) than the standard rate of corporation tax in the UK of 24.5% (2011 26.5%). The differences are explained below

	2012 £000	2011 £000
Current tax reconciliation		
Profit on ordinary activities before tax	-	-
	<u>-</u>	<u>-</u>
Current tax at 24.5% (2011 26.5%)	-	-
	<u>-</u>	<u>-</u>
Effects of		
Transfer pricing adjustment FA2006 Sch 28AA(1)	(5)	(6)
	<u>(5)</u>	<u>(6)</u>
Total current tax credit (see above)	(5)	(6)
	<u>(5)</u>	<u>(6)</u>

The UK corporation tax rate reduced from 26% to 24% with effect from 1 April 2012. The tax rate will fall to 23% from April 2013. A further change to reduce the rate to 21% from 1 April 2014 has been announced and is expected to be enacted in the Finance Act 2013. As this further change had not been substantively enacted at the balance sheet date it has not been recognised in these financial statements.

4 Debtors

	2012 £000	2011 £000
Amounts owed by group undertakings	11,604	11,604
Corporation tax	5	6
	<u>11,609</u>	<u>11,610</u>

5 Creditors amounts falling due within one year

	2012 £000	2011 £000
Amounts owed to group undertakings	13,015	13,021
	<u>13,015</u>	<u>13,021</u>

Notes (continued)

6 Called up share capital

	2012 £000	2011 £000
<i>Allotted and fully paid</i>		
18,000,002 (2011 18,000,002) Ordinary shares of £1 each	18,000	18,000

7 Profit and loss account

	Profit and loss account £000
At beginning of year	(19,411)
Profit for the year	5
At end of year	(19,406)

8 Reconciliation of movement in shareholders' deficit

	2012 £000	2011 £000
At beginning of year	(1,411)	(1,417)
Profit for the year	5	6
At end of year	(1,406)	(1,411)

9 Related party balances

	2012 £000	2011 £000
<i>Intra-group debtors, net of provisions</i>		
St James's Place Investments plc	11,604	11,604
<i>Intra-group creditors</i>		
St James's Place Management Services Limited	13,015	13,021

Notes (continued)

10 Parent company guarantee

On 21 February 2013, in accordance with section 479C of the Companies Act 2006, St James's Place Plc guaranteed all outstanding liabilities of St James's Place Administration Limited as at 31 December 2012, until they are satisfied in full. This guarantee is enforceable against St James's Place Plc by any person to whom St James's Place Administration Limited is liable in respect of those liabilities.

11 Ultimate parent company and parent undertaking of larger group of which the company is a member

The company regarded by the directors as the ultimate parent company is Lloyds Banking Group plc, a limited liability company incorporated and domiciled in Scotland, which is also the parent undertaking of the largest group of undertakings for which group accounts are drawn up and of which the Company is a member. Copies of the consolidated accounts of Lloyds Banking Group plc may be obtained from Lloyds Banking Group plc, 25 Gresham Street, London EC2V 7HN.

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

The Company's related parties include other companies in the Lloyds Banking Group, pension schemes of the Company's ultimate parent company and the Company's key management personnel. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, which is determined to be the Company's directors.

There were no transactions between the Company and key management personnel during the current or preceding year.

Key management personnel are employed by St James's Place Management Services Limited and consider that their services to the Company are incidental to their other activities within the group.