

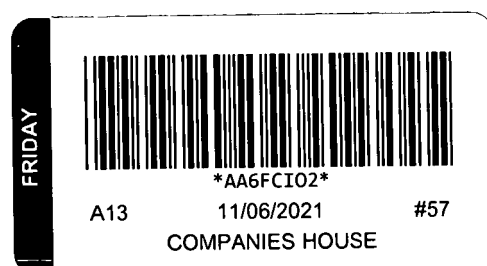
Registered number: 02990295

LINDEN HOUSE FINANCIAL SERVICES LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



LINDEN HOUSE FINANCIAL SERVICES LIMITED

COMPANY INFORMATION

Directors	R W P Griffiths N Smythe C Westwood T P T Williams
Company Secretary	St. James's Place Corporate Secretary Limited
Registered Number	02990295
Registered Office	St. James's Place House 1 Tetbury Road Cirencester Gloucestershire GL7 1FP

LINDEN HOUSE FINANCIAL SERVICES LIMITED

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LINDEN HOUSE FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The Directors present their report and the financial statements for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The Company acts as an intermediary in the provision of financial services products and is directly authorised by the Financial Conduct Authority.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £774,896 (2019 - £1,081,068).

No dividends were paid during the year (2019 - £2,500,000).

The Directors do not recommend the payment of a final dividend (2019 - £NIL).

DIRECTORS

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

R W P Griffiths
N Smythe
C Westwood
T P T Williams

FUTURE DEVELOPMENTS

The Directors anticipate ceasing to be directly authorised by the Financial Conduct Authority and becoming an appointed representative of Perennial Financial Management Limited. The Company is expected to continue to provide advice on financial services products.

EMPLOYEES

The Company has no employees (2019 - NIL).

CURRENT RISK ENVIRONMENT

Over the past year, the emergence and impact of COVID-19 has been a major external risk event. No event of this nature can be precisely forecast and planned for; however, through our approach to the fundamentals of risk management the Company (and the wider St. James's Place Group) has been able to demonstrate resilience, from a financial and operational perspective, against COVID-19. We remain highly confident in our ability to withstand further challenges that may or may not emerge.

We remain acutely aware of the changing threat to health, further restrictions and the longer-term potential macro-economic impacts; however, whilst this could further impact profitability, we continue to be confident of the ongoing resilience to risk and the viability of the Company.

In addition to the uncertainties surrounding COVID-19, the short and longer-term consequences of Brexit impact upon investor sentiment and the wider external environment in which the Company and the St. James's Place Group operates. Stress and scenario testing has been performed at a Group level, which demonstrates that the business is resilient, and we continually monitor the changing environment, to ensure our analysis and scenario testing remains appropriate.

DIRECTORS INDEMNITY AND INSURANCE

St. James's Place plc ("SJP"), the ultimate parent company, has taken out insurance covering Directors and Officers against liabilities they may incur in their capacity as Directors or Officers of SJP or its subsidiaries.

LINDEN HOUSE FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

AUDIT EXEMPTION

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 Linden House Financial Services Limited as at 31 December 2020 and this guarantee has been filed at Companies House.

GOING CONCERN

Going concern has been evaluated by the Directors of the Company. They concluded that it was reasonable to expect the Company to remain a trading company for a period of not less than 12 months from the date of signing the financial statements.

This report was approved by the Board of Directors on 22 February 2021 and signed by order of the Board on the same date by:



St. James's Place Corporate Secretary Limited
Secretary

LINDEN HOUSE FINANCIAL SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2019

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', 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;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are 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.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006.

LINDEN HOUSE FINANCIAL SERVICES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Turnover	3	1,528,797	1,960,140
GROSS PROFIT		1,528,797	1,960,140
Administrative expenses		(574,954)	(630,630)
OPERATING PROFIT		953,843	1,329,510
Interest receivable and similar income		3,132	5,258
Interest payable and similar expenses		(587)	(546)
PROFIT BEFORE TAX		956,388	1,334,222
Income tax	5	(181,492)	(253,154)
PROFIT AND TOTAL COMPREHENSIVE INCOME		774,896	1,081,068

All amounts relate to continuing operations.

The notes and information on pages 7 to 12 form part of these financial statements.

LINDEN HOUSE FINANCIAL SERVICES LIMITED
REGISTERED NUMBER: 02990295

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
CURRENT ASSETS			
RECEIVABLES: Amounts falling due within one year	7	1,907	-
Cash and cash equivalents	8	2,762,249	1,861,536
		<u>2,764,156</u>	<u>1,861,536</u>
PAYABLES: Amounts falling due within one year	9	(474,598)	(346,874)
NET CURRENT ASSETS		2,289,558	1,514,662
NET ASSETS		<u>2,289,558</u>	<u>1,514,662</u>
EQUITY			
Share capital	10	1,085	1,085
Share premium		11,615	11,615
Retained earnings		2,276,858	1,501,962
TOTAL EQUITY		<u>2,289,558</u>	<u>1,514,662</u>

Members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The Company was entitled to exemption from the requirement to have an audit under section 479A of the Companies Act 2006.

The Directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements on pages 4 to 12 were approved by the Board of Directors on 22 February 2021 and were signed on its behalf on the same date by:

Nicola Smythe

N Smythe
 Director

The notes and information on pages 7 to 12 form part of these financial statements.

LINDEN HOUSE FINANCIAL SERVICES LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2020	1,085	11,615	1,501,962	1,514,662
Profit and total comprehensive income	-	-	774,896	774,896
At 31 December 2020	1,085	11,615	2,276,858	2,289,558

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Share capital £	Share premium £	Retained earnings £	Total equity £
At 1 January 2019	1,085	11,615	2,920,894	2,933,594
Profit and total comprehensive income	-	-	1,081,068	1,081,068
Dividends: Equity capital	-	-	(2,500,000)	(2,500,000)
At 31 December 2019	1,085	11,615	1,501,962	1,514,662

The notes and information on pages 7 to 12 form part of these financial statements.

LINDEN HOUSE FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. GENERAL INFORMATION

The Company is a private company limited by shares, incorporated and domiciled in United Kingdom.

The address of the Company's registered office is St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP.

2. ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, on a going concern basis, and in accordance with Financial Reporting Standard 102 (FRS102), 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland', and the Companies Act 2006.

There were no critical accounting estimates or significant accounting judgements made in applying the Company's accounting policies.

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

2.2 Financial Reporting Standard 102 - Reduced Disclosure Exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows and paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), 12.29A and 12.30 provided disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the Group in which the entity is consolidated; and
- the requirements of paragraph 33.7.

This information is included in the consolidated financial statements of St. James's Place plc as at 31 December 2020 and these financial statements may be obtained from the Company Secretariat at St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP.

2.3 Turnover

Turnover represents fees and commission income received or receivable and is charged to the Statement of Comprehensive Income on an accruals basis..

2.4 Administrative expenses

Administrative expenses represent costs incurred in the ordinary activities of the Company, regulatory fees, recharges from a fellow Group company and other third-party expenses, charged to the Statement of Comprehensive Income on an accruals basis.

2.5 Income tax

Tax is recognised in the Statement of Comprehensive Income. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the United Kingdom, where the Company operates and generates income.

LINDEN HOUSE FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES (CONTINUED)

2.6 Cash And Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial Instruments

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The Company classifies all of its financial assets as loans and receivables.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Financial assets held at amortised are impaired using an expected credit loss model. Expected credit losses are based on the historic levels of loss experienced for the financial assets, with due consideration given to forward looking information.

Financial liabilities

The Company classifies all of its financial liabilities as liabilities at amortised cost.

At amortised cost

Financial liabilities at amortised cost are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

LINDEN HOUSE FINANCIAL SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****3. TURNOVER**

All turnover arose within the United Kingdom.

4. DIRECTORS' REMUNERATION

	2020 £	2019 £
Directors' emoluments	-	6,261
	<u>-</u>	<u>6,261</u>
	<u>-</u>	<u>6,261</u>

During the year, no Director received any emoluments in respect of their services to the Company (2019 - £6,261). The highest paid Director received no remuneration (2019 - £6,261).

At 31 December 2020, the number of Directors to whom retirement benefits are accruing, including those receiving cash supplements in lieu of their defined contribution pension scheme, is 4 (2019 - 4), including the highest paid Director. Retirement benefits are accrued in money purchase schemes for 4 (2019 - 4) of those Directors at the year-end.

The number of Directors who exercised options over the shares in St. James's Place plc during the year while acting as Directors of this Company is 2 (2019 - 2). The number of Directors in respect of whose qualifying services shares were receivable under long-term incentive schemes is 4 (2019 - 5).

5. INCOME TAX

	2020 £	2019 £
Current tax		
UK corporation tax on profit for the year	181,492	253,155
Adjustments in respect of prior periods	-	(1)
Total current tax	<u>181,492</u>	<u>253,154</u>
Taxation on profit	<u>181,492</u>	<u>253,154</u>

LINDEN HOUSE FINANCIAL SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****5. INCOME TAX (CONTINUED)****Factors affecting the tax charge for the year**

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit before taxation	<u>956,388</u>	<u>1,334,222</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	181,714	253,502
Effects of:		
Adjustments to tax charge in respect of prior periods	-	(1)
Transfer pricing adjustments	(222)	(347)
Total tax charge for the year	<u><u>181,492</u></u>	<u><u>253,154</u></u>

Future tax changes

There were no factors that may affect future tax charges.

6. DIVIDENDS

	2020 £	2019 £
Interim dividends paid on Ordinary A shares	-	1,970,046
Interim dividends paid on Ordinary B shares	-	345,622
Interim dividends paid on Ordinary C shares	-	184,332
	<u>-</u>	<u>2,500,000</u>

7. RECEIVABLES: Amounts falling due within one year

	2020 £	2019 £
Prepayments and accrued income	1,907	-
	<u>1,907</u>	<u>-</u>

LINDEN HOUSE FINANCIAL SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****8. CASH AND CASH EQUIVALENTS**

	2020 £	2019 £
Cash at bank and in hand	2,762,249	1,861,536
	<u>2,762,249</u>	<u>1,861,536</u>

9. PAYABLES: Amounts falling due within one year

	2020 £	2019 £
Amounts owed to Group undertakings	277,153	16,955
Corporation tax	181,492	253,155
Accruals and deferred income	15,953	76,764
	<u>474,598</u>	<u>346,874</u>

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

10. SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
8,550 (2019 - 8,550) Ordinary A shares of £0.10 each	855	855
1,500 (2019 - 1,500) Ordinary B shares of £0.10 each	150	150
800 (2019 - 800) Ordinary C shares of £0.10 each	80	80
	<u>1,085</u>	<u>1,085</u>

LINDEN HOUSE FINANCIAL SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****11. PARENT COMPANY GUARANTEE**

On 22 February 2021, in accordance with section 479C of the Companies Act 2006, St. James's Place plc guaranteed all outstanding liabilities of Linden House Financial Services Limited as at 31 December 2020, until they are satisfied in full. This guarantee is enforceable against St. James's Place plc by any person to whom Linden House Financial Services Limited is liable in respect of those liabilities.

12. RELATED PARTY BALANCES

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

Transactions with key management personnel are exempt from disclosure.

There were no transactions with companies within the St. James's Place Group for which disclosure is required.

At 31 December 2020, the following amounts were outstanding:

	2020 £	2019 £
Inter-Group payables		
St. James's Place Acquisition Services Limited	277,150	16,954
St. James's Place Management Services Limited	3	1
	<u>277,153</u>	<u>16,955</u>

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company regarded by the Directors as the immediate parent company is Linden House Group Limited, a company registered in England and Wales.

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

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

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