

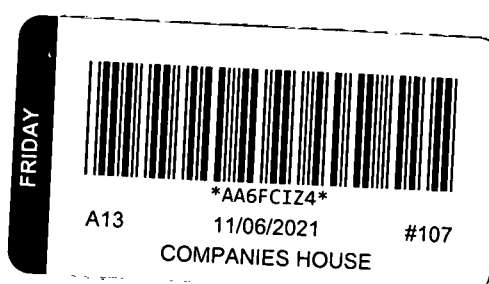
Registered number: 07730835

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED

COMPANY INFORMATION

Directors

A M Croft
I S Gascoigne
C G Gentle
I R Rayner

Company Secretary

St. James's Place Corporate Secretary Limited

Registered Number

07730835

Registered Office

St. James's Place House
1 Tetbury Road
Cirencester
Gloucestershire
GL7 1FP

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED

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ST. JAMES'S PLACE ACQUISITION 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 ACTIVITIES

The Company purchases the right and responsibility to the future ongoing advice fee and renewal commission on in-force policies provided by third party insurance and investment companies and acts as an investment holding company.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £5,823K (2019 - loss £702K).

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

The loss for the year has primarily been driven by the impairment of subsidiary undertakings (see note 8) and financing costs.

DIRECTORS

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

A M Croft
I S Gascoigne
C G Gentle
I R Rayner

FUTURE DEVELOPMENTS

The Directors expect the Company to continue to support the St. James's Place Group as aligned with its principal activities.

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 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 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.

EMPLOYEES

At 31 December 2020, the Company had 21 employees (2019 - 15).

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED

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

DIRECTORS' INDEMNITY AND INSURANCE

SJP plc has taken out insurance covering Directors and Officers against liabilities they may incur in their capacity as Directors or Officers of SJP plc or its subsidiaries. All members of the Board of SJP plc who act as Directors of subsidiary companies are each granted indemnities whilst acting in their capacity as Directors or Officers to the extent permitted by law. These indemnities are uncapped in amount and protect recipients from certain losses and liabilities that they may incur to third parties in connection with the furtherance of their duties as Directors or Officers of SJP plc 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.

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 St. James's Place Acquisition 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 continue to perform its principal activities for a period of not less than 12 months from the date of signing the financial statements.

The Company has net liabilities and net current liabilities as at 31 December 2020 but another Group company, St. James's Place plc, has indicated that it will continue to provide financial support.

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



St. James's Place Corporate Secretary Limited
Secretary

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

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 FRS 101 "Reduced Disclosure Framework", 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 UK Accounting Standards 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.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £000	2019 £000
Turnover	2	449	547
Cost of sales		(60)	(93)
GROSS PROFIT		389	454
Administrative expenses		(5,142)	(4,502)
OPERATING LOSS	3	(4,753)	(4,048)
Income from associate		(6)	4
Income from shares in Group undertakings		-	4,300
Interest receivable and similar income		37	36
Interest payable and similar expenses	6	(1,520)	(1,576)
LOSS BEFORE TAXATION		(6,242)	(1,284)
Income tax	7	419	582
LOSS AND TOTAL COMPREHENSIVE EXPENSE		(5,823)	(702)

All amounts relate to continuing operations.

The notes and information on pages 7 to 21 form part of these financial statements.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED
REGISTERED NUMBER: 07730835

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £000	2019 £000
FIXED ASSETS			
Investments	8	13,370	15,236
CURRENT ASSETS			
RECEIVABLES: Amounts falling due after more than one year	9	9,093	8,633
RECEIVABLES: Amounts falling due within one year	9	7,462	6,947
Cash and cash equivalents	10	648	266
		<u>17,203</u>	<u>15,846</u>
PAYABLES: Amounts falling due within one year	11	(48,012)	(40,849)
NET CURRENT LIABILITIES		<u>(30,809)</u>	<u>(25,003)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(17,439)</u>	<u>(9,767)</u>
PAYABLES: Amounts falling due after more than one year	12	-	(1,850)
NET LIABILITIES		<u>(17,439)</u>	<u>(11,617)</u>
EQUITY			
Share capital	15	-	-
Other reserves		8	7
Retained earnings		(17,447)	(11,624)
TOTAL SHAREHOLDERS' DEFICIT		<u>(17,439)</u>	<u>(11,617)</u>

Members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the 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 21 were approved by the Board of Directors on 22 February 2021 and signed on its behalf on the same date by:



C G Gentle
 Director

The notes and information on pages 7 to 21 form part of these financial statements.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 January 2020	-	7	(11,624)	(11,617)
Loss and total comprehensive expense for the financial year	-	-	(5,823)	(5,823)
Equity settled share option expense	-	1	-	1
At 31 December 2020	-	8	(17,447)	(17,439)

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

	Share capital £000	Other reserves £000	Retained earnings £000	Total equity £000
At 1 January 2019	-	4	(10,922)	(10,918)
Loss and total comprehensive expense for the financial year	-	-	(702)	(702)
Equity settled share option expense	-	3	-	3
At 31 December 2019	-	7	(11,624)	(11,617)

The notes and information on pages 7 to 21 form part of these financial statements.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED

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

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, on a going concern basis and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The principal area involving significant accounting estimate and judgement is the calculation of the fair value of renewal assets. Further details are given in note 9.

The Company was entitled to exemption from the requirement to prepare and deliver consolidated financial statements under section 400 of the Companies Act 2006. The parent undertaking that draws up group financial statements and its registered address is set out in note 19.

Adoption of new and amended Accounting Standards

As at 31 December 2020, the following amended standards, which the Company adopted as of 1 January 2020, have no material impact on the Company's financial statements.

- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material;
- Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures – Interest Rate Benchmark Report; and
- Revised Conceptual Framework of Financial Reporting.

There were no new accounting standards adopted as of 1 January 2020.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED

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

1. ACCOUNTING POLICIES (CONTINUED)

1.2 Financial reporting standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs of 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets.

1.3 Turnover

Turnover represents income received or receivable on income streams purchased by the Company and is calculated on an accruals basis.

1.4 Administrative expense

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

Administrative expenses also includes the change in fair value of renewal income assets and the provisions for impairment of investments between the beginning and end of the financial year, net of consideration paid for additions.

1.5 Interest receivable and similar income

Interest receivable and similar income represents interest receivable on loans owed by Group undertakings, credited to the Statement of Comprehensive Income on an accruals basis.

1.6 Interest payable and similar expenses

Interest payable and similar expenses represent finance costs levied as charges from banks or financial institutions and interest incurred on loans owed to Group undertakings, charged to the Statement of Comprehensive Income on an accruals basis.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED

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

1. ACCOUNTING POLICIES (CONTINUED)

1.7 Pensions

The Company operates a defined contribution pension scheme for its employees and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

1.8 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.

1.9 Share-based payments

The Company operates a number of share-based payment plans. The fair value of equity instruments granted is recognised as an expense spread over the vesting period of the instrument, with a corresponding increase in equity in the case of equity-settled plans. The total amount to be expensed is determined by reference to the fair value of the awards at the grant date, measured using standard option pricing models.

At each Statement of Financial Position date, the Company revises its estimate of the number of equity instruments that are expected to vest and it recognises the impact of the revision of original estimates, if any, in the Statement of Comprehensive Income, such that the amount recognised for employee services are based on the number of shares that actually vest. The charge to the Statement of Comprehensive Income is not revised for any changes in market vesting conditions.

1.10 Investments

Investments in subsidiary undertakings are recorded at cost plus incidental expenses less any provision for impairment. Impairment reviews are performed by the Directors on an annual basis and when there has been an indication of potential impairment.

Investments in associates are held at cost plus incidental expenses less impairment.

1.11 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.

1.12 Deferred and contingent consideration

Deferred and contingent consideration is reviewed annually to assess the probability of the economic outflow of the consideration.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****1. ACCOUNTING POLICIES (CONTINUED)****1.13 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**Fair value through profit or loss**

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if the Company has purchased the rights to the future income streams.

At amortised cost

Financial assets held at amortised cost 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 on 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.

2. TURNOVER

All turnover arose within the United Kingdom.

3. OPERATING LOSS

The operating loss is stated after charging:

	2020	2019
	£000	£000
Share based payments	1	3
Defined contribution pension cost	37	32
	<u>38</u>	<u>35</u>

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****4. EMPLOYEES**

Staff costs were as follows:

	2020	2019
	£000	£000
Wages and salaries	655	568
Social security costs	69	57
Defined contribution pension cost	37	32
	761	657

The average monthly number of employees during the year was 20 (2019 - 18).

Defined contribution personal pension plans are operated for employees. There were no outstanding contributions outstanding at the year-end (2019 - £3K).

5. DIRECTORS' REMUNERATION

During the year, no Director received any emoluments in respect of their services to the Company (2019 - £NIL).

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 2 (2019 - 2) 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 3 (2019 - 2). The number of Directors in respect of whose qualifying services shares were receivable under long-term incentive schemes is 4 (2019 - 5).

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£000	£000
Loans from Group undertakings	1,520	1,576

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****7. INCOME TAX**

	2020	2019
	£000	£000
Current tax		
UK corporation tax on loss for the year	(420)	(428)
Adjustments in respect of prior periods	-	(152)
Total current tax	(420)	(580)
Deferred tax		
Share based payments	1	(2)
Total deferred tax	1	(2)
Taxation on loss	(419)	(582)

Factors affecting the tax credit for the year

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

	2020	2019
	£000	£000
Loss before taxation	(6,242)	(1,284)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,186)	(244)
Effects of:		
Expenses not deductible for tax purposes	768	1,086
Adjustments to tax charge in respect of prior periods	-	(152)
Income not subject to tax	-	(453)
Adjustment in respect of employee share based payments	1	(2)
Dividends from UK companies	-	(817)
Transfer pricing adjustments	(2)	-
Total tax credit for the year	(419)	(582)

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****7. INCOME TAX (CONTINUED)****Future tax changes**

In the Finance Act 2016, a reduction to the UK main rate of corporation tax to 17% effective from 1 April 2020 was enacted, with the impact incorporated into the deferred tax balances in 2016. However, in the UK Budget of 11 March 2020 it was announced that the rate will remain at 19%, rather than the previously enacted reduction to 17%. This change was substantively enacted on 17 March 2020 and as a result the relevant deferred tax balances have been remeasured.

8. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £000	Investments in associate £000	Total £000
COST OR VALUATION			
At 1 January 2020	29,676	15	29,691
Additions	1,822	-	1,822
At 31 December 2020	31,498	15	31,513
IMPAIRMENT			
At 1 January 2020	14,455	-	14,455
Charge for the year	3,688	-	3,688
At 31 December 2020	18,143	-	18,143
NET BOOK VALUE			
At 31 December 2020	13,355	15	13,370
At 31 December 2019	15,221	15	15,236

In compliance with section 409 of the Companies Act 2006, the following pages include a full list of subsidiary undertakings for the Company as at 31 December 2020. The registered office address for all of these subsidiary undertakings is St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP, unless otherwise indicated.

A breakdown of the Net Book Value can be found in note 17. Details of the principal activities of all subsidiary undertakings can be found in the St. James's Place plc Annual Reports and Accounts.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****8. FIXED ASSET INVESTMENTS (CONTINUED)****Direct subsidiary undertakings**

The Company directly holds a majority of voting rights in the following undertakings. Shareholdings refer to Ordinary shares in all instances. All of these related undertakings are incorporated in the UK:

Name	Holding
Arbor Wealth Management Limited	100 %
CGA Financial & Investment Services Limited	100 %
Future Proof Limited	100 %
Jeremy Barrett Limited	100 %
Linden House Group Limited	100 %
LP Holdco Limited	43 %
M.S. Estates and Financial Services Limited	100 %
Perennial Financial Management Limited	100 %
Reflect Financial Limited (formerly Hale Financial Solutions Limited)	100 %
Tring Financial Management Limited (formerly St. James's Place Client Solutions Limited)	100 %

During the year, the Company purchased 100% of the share capital of Jeremy Barrett Limited.

On 4 January 2021, the Company purchased 100% of the share capital of Jamie Lewington & Co Limited. please refer to note 18 for details of this acquisition.

The Directors believe that the carrying value of the investments is supported by their underlying net assets or, where this is not the case, their value in use.

*The Company owns 100% of the Ordinary A shares in LP Holdco Ltd, which rank pari passu with Ordinary B shares, both entitling the owner to voting and dividend rights, and owns 75.62% of the issued Ordinary C shares, which entitle the owner to voting rights but not to a dividend. In total, the Company owns 52.83% of the voting rights in LP Holdco Ltd.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****8. FIXED ASSET INVESTMENTS (CONTINUED)****Indirect subsidiary undertakings**

The Company indirectly holds a majority of voting rights in the following undertakings. Shareholdings refer to Ordinary shares in all instances. All of these related undertakings are incorporated in the UK, unless otherwise indicated:

Name	Holding
Baxter & Lindley Financial Services Limited	100 %
Baxter Holding Company Limited	100 %
Lansdown Place Group Holdings Limited	* 100 %
Lansdown Place Wealth Management Limited	* 100 %
Lifestyle Financial Solutions Limited	* 100 %
Linden House Financial Services Limited	100 %
LP Auto Enrolment Solutions Limited	* 100 %
LP Financial Management Limited	* 100 %

* Those subsidiary undertakings not registered at the aforementioned address are as follows:

Lansdown Place Group Holdings Limited, Lansdown Place Wealth Management Limited, Lifestyle Financial Solutions Limited, LP Auto Enrolment Solutions Limited and LP Financial Management Limited were incorporated in the UK and registered at the address, 2 Oakfield Road, Clifton, Bristol, BS8 2AL.

9. RECEIVABLES

	2020	2019
	£000	£000
Amounts falling due after more than one year		
Renewal income	1,456	1,031
Amounts owed by Group undertakings	5,161	5,124
Other receivables	2,476	2,478
	9,093	8,633
	2020	2019
	£000	£000
Amounts falling due within one year		
Renewal income	593	321
Amounts owed by Group undertakings	3,260	2,911
Other receivables	3,577	3,672
Prepayments and accrued income	31	41
Deferred taxation (see note 13)	1	2
	7,462	6,947

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****9. RECEIVABLES (CONTINUED)**

Included within amounts owed by Group undertakings is £4,273K (2019 - £4,273K) of loans to LP Holdco Limited that are unsecured and repayable on split conditions:

- 50% of the amount is repayable at such time that the board considers the cash flow position of the company to allow such a repayment.
- The remaining 50% is to be redeemed on the earlier of (i) the sale of the issued equity share capital being held by a party that is not St. James's Place Acquisition Services Limited, (ii) a sale of all or substantially all of the trading assets or trading subsidiaries of the Company and (iii) the date which St. James's Place Acquisition Services Limited ceases to hold any A ordinary share capital. Such loans incur interest at a fixed rate, as stated in the loan agreement.

Included within amounts owed by Group undertakings is £1,008K (2019 - £971K) of loans that are unsecured and repayable on fixed conditions. Such loans incur interest at an agreed rate above the Bank of England's base rate, as stated in the loan agreement. £120,000 of the outstanding balance is due to be repaid within one year (2019 - £120,000).

The remainder of amounts owed by Group undertakings are unsecured, interest-free and repayable on demand.

Renewal income asset

	2020	2019
	£000	£000
At 1 January	1,352	1,557
Additions in the year	1,148	50
Changes in fair value of the renewal income	(451)	(255)
At 31 December	2,049	1,352

Renewal income assets are stated at fair value. Valuations are based on the present value of the future expected income streams and are derived by adopting the key assumptions set out below.

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

Economic assumptions of 8.4% (2019 - 9.0%) and 2.6% (2019 - 3.2%) are made in respect of the discount rate and investment return. Our approach to calculating the discount rate is based on an assessment of the rates the rest of market participants would use in an arms length transaction. The investment return for gilts (the risk-free rate) has been set by reference to the yield on ten year gilts. The investment returns for the other main investment classes (i.e. equities, property and cash) have been set by adding appropriate margins for risk to the risk-free rate. The investment return assumption used in the valuations is the weighted average of the returns in each investment class (weighted by fund size). Included in the above discount rate of 8.4% (2019 - 9.0%) there is an allowance of 5.0% (2019 - 5.0%) for non-market risk.

10. CASH AND CASH EQUIVALENTS

	2020	2019
	£000	£000
Cash at bank and in hand	648	266

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****11. PAYABLES: Amounts falling due within one year**

	2020	2019
	£000	£000
Deferred and contingent consideration	2,193	875
Amounts owed to Group undertakings	45,774	39,938
Other taxation and social security	-	3
Other payables	43	33
Accruals and deferred income	2	-
	48,012	40,849

Amounts owed to Group undertakings are a combination of interest-bearing (linked to Bank of England base rate plus a margin) and interest-free, repayable on demand and unsecured.

Deferred and contingent consideration of £1,850K is payable at vendors' request at any point between year 3 and year 5 post acquisition. The value of the consideration is based upon a percentage of turnover received in the immediately preceding 12 months prior to the request to settle. This consideration value is based upon the forecasted expected consideration payable.

Deferred and contingent consideration of £343K is payable to vendors if certain performance targets are met. The targets are based on ongoing fee and renewal commission income and the level of new business written on St. James's Place products within the first two years. It is expected these will be paid in full. However, should the targets not be met the deferred and contingent consideration will decrease on a pro-rata basis.

12. PAYABLES: Amounts falling due after more than one year

	2020	2019
	£000	£000
Deferred and contingent consideration	-	1,850
	-	1,850

The deferred and contingent consideration is payable at vendors' request at any point between year 3 and year 5 post acquisition. The value of the consideration is based upon a percentage of turnover received in the immediately preceding 12 months prior to the request to settle. This consideration value is based upon the forecasted expected consideration payable.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****13. DEFERRED TAXATION**

The movement in deferred tax assets during the year is as follows:

	Share based payments £000	Total £000
At 1 January 2019	-	-
Credited to the Statement of Comprehensive Income	(2)	(2)
At 31 December 2019	(2)	(2)
Charged to the Statement of Comprehensive Income	1	1
At 31 December 2020	(1)	(1)

14. SHARE BASED PAYMENTS

During the year ended 31 December 2020, the Company operated a SAYE equity-settled share-based payment arrangement. This is a standard HMRC approved scheme that is available to all employees where individuals can contribute up to £300 per month over three years to purchase shares at a price not less than 80% of the market price at the date of the invitation to participate.

15. SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
100 (2019 - 100) Ordinary shares of £1.00 each	100	100

16. 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 St. James's Place Acquisition 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 St. James's Place Acquisition Services Limited is liable in respect of those liabilities.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****17. 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 investments in Group undertakings and amounts outstanding were as follows:

	2020	2019
	£000	£000
Investments in subsidiary undertakings, net of provisions		
Arbor Wealth Management Limited	-	-
CGA Financial & Investment Services Limited	-	1,441
Future Proof Limited	2,137	3,050
Jeremy Barrett Limited	1,728	-
Linden House Group Limited	5,881	6,491
LP Holdco Limited	-	-
M.S. Estates and Financial Services Limited	2,094	1,946
Perennial Financial Management Limited	806	807
Reflect Financial Management Limited (formerly Hale Financial Solutions Limited)	562	1,343
Tring Financial Management Limited (formerly St. James's Place Client Solutions Limited)	147	143
	<u>13,355</u>	<u>15,221</u>
	2020	2019
	£000	£000
Investments in associate undertakings, net of provisions		
Panthera Private Office LLP	<u>15</u>	<u>15</u>

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020****17. RELATED PARTY BALANCES (CONTINUED)**

	2020 £000	2019 £000
Intra-Group receivables, net of provisions		
Baxter Holding Company Limited	2,034	2,034
Baxter & Lindley Financial Services	104	-
Future Proof Limited	79	51
Linden House Financial Services Limited	277	17
LP Holdco Limited	4,273	4,273
LP Financial Management Limited	1,008	971
M.S. Estates And Financial Services Limited	15	9
Perennial Financial Management Limited	46	22
St. James's Place Unit Trust Group Limited	507	506
St. James's Place Investment Administration Limited	-	152
Technical Connection Limited	10	-
Tring Financial Management Limited (formerly St. James's Place Client Solutions Limited)	68	-
	<u>8,421</u>	<u>8,035</u>

	2020 £000	2019 £000
Intra-Group payables		
Jeremy Barrett Limited	40	-
Linden House Group Limited	109	109
Reflect Financial Management Limited (formerly Hale Financial Solutions Limited)	1,110	-
St. James's Place Management Services Limited	826	299
St. James's Place Partnership Services Limited	43,689	39,530
	<u>45,774</u>	<u>39,938</u>

18. POST BALANCE SHEET EVENTS

On 4 January 2021, the Company acquired 100% of the ordinary share capital of Jamie Lewington & Co. Limited for a total consideration of £20,317K. Jamie Lewington & Co. Limited is an appointed representative of St. James's Place Wealth Management plc and its acquisition supports the Group's strategic objective of growing and supporting the Partnership. The initial accounting for this business combination is incomplete as at 22 February 2021 and hence detailed accounting information has not been provided.

ST. JAMES'S PLACE ACQUISITION SERVICES LIMITED

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

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company regarded by the Directors as the immediate parent company is St. James's Place Wealth Management Group 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.