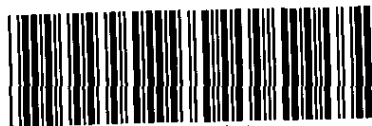


Registered number: SC230167

POLICY SERVICES LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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COMPANIES HOUSE

POLICY SERVICES LIMITED

COMPANY INFORMATION

Directors	Mr P Craddock Mrs K Dorrian Mr K Dorrian Mr P Edwards Mr J Hill
Company Secretary	St. James's Place Corporate Secretary Limited
Registered Number	SC230167
Registered Office	Oracle Campus Blackness Road Linlithgow West Lothian EH49 7BF
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR

POLICY SERVICES LIMITED

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POLICY SERVICES LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

INTRODUCTION

Policy Services Limited (the "Company") forms part of the St. James's Place Group (the "Group") for which the ultimate parent company is St. James's Place plc ("SJP").

The Company is authorised and regulated by the Financial Conduct Authority (FCA). The Company is a private company limited by shares, and incorporated in Scotland.

BUSINESS REVIEW

The Company has delivered a profit after taxation for the period of £138,820 (year ending 31 March 2021 - Loss £316,578). The Company continues to invest in the infrastructure and staff levels following the acquisition of the Company by the Group, to further support the long-term growth plans.

Net assets at the end of the period totalled £3,099,927 (31 March 2021 - £2,961,107) giving us confidence to withstand further challenges that may or may not emerge from the current risk environment.

FUTURE DEVELOPMENTS

The Directors do not anticipate any change in the primary activities of the Company during the next year, however the Company will continue to focus on improving its service to clients.

CURRENT RISK ENVIRONMENT

We continue to identify potential challenges ahead and recognise that significant risks remain in relation to COVID-19 variants and the economic consequences from the response to it. We expect to see inflationary challenges in the short to medium term and are mindful of potential risks relating to tightening of monetary policy and changes in tax policy. We are also mindful of the potential for geo-political tensions to escalate, which could have relevance to the Company through the impacts on financial markets and through heightened Cyber risk.

Overall, we remain confident in our ability to withstand further challenges that may or may not emerge from the risk environment described below.

Macro-economic:

The uncertainty in relation to COVID-19 has improved significantly as a result of the successful vaccine rollout in the UK, which has greatly weakened the link between infections, hospitalisations and deaths. Whilst the future outlook is more positive than early 2021, we remain mindful of the risk posed by emerging mutations of the virus.

Reflecting the stability, resilience and consistency of our business model, COVID-19 has impacted the Company in ways which are familiar to the Group's approach to the fundamentals of risk management. Examples of this are through: market volatility; a reduction in new business in 2020 and the continuation of partial remote working for many employees, which presents talent management risks. Further information on the Group's approach to macro-economic risks is set out in the St. James's Place plc Annual Report and Accounts 2021.

Climate change:

Tackling climate change is an issue of high importance to SJP, our Partners, clients, and regulators. The related risks affect all companies in different ways and we have carefully considered how climate change could impact the Company and the wider Group to identify risks and opportunities. Climate change is a driver of market related risk, be that through physical climate events or impacts from transitioning away from fossil fuels. Further, to ensure our resilience as a Group to market movements, our liabilities to clients are fully matched by our invested assets. Further information on the Group's approach to climate change is set out in the St. James's Place plc Annual Report and Accounts 2021.

POLICY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

PRINCIPAL RISKS AND UNCERTAINTIES

Post-acquisition, the Company is working on the integration of its control framework into the wider St. James's Place Group 'Risk Management Framework'. More information around the Risk Management Framework, including the risk management policies and procedures that are applicable to the Company, is provided in the St. James's Place plc Annual Report and Accounts 2021.

Timely and targeted risk-based information has been provided to the Board to continue to support decision making and help the understanding of key issues.

The principal risks and uncertainties facing the Company are set out below:

Risk	Risk Description	Key Risks	Example Controls
Administration service	We fail to deliver good quality administration services to clients and advisers.	<ul style="list-style-type: none"> Service Delivery Service Quality 	<ul style="list-style-type: none"> Key service standards agreed and monitored Continuous development of technology to remove manual processes Effective planning of large-scale change projects Ongoing activity to reduce administrative complexity and ensure operational resilience
Conduct	We fail to provide quality, suitable advice or service to clients.	<ul style="list-style-type: none"> Advisers deliver poor quality or unsuitable advice Failure to evidence the provision of quality service and advice 	<ul style="list-style-type: none"> Timely and clear responses to client complaints Advisers required to keep up to date with any qualifications required to be able to discharge their responsibilities Robust oversight process of the advice provided to clients
Financial	We fail to effectively manage the business finances.	<ul style="list-style-type: none"> Expense risk Liquidity risk Solvency risk 	<ul style="list-style-type: none"> Excess assets generally invested in high liquidity cash and cash equivalents Ongoing monitoring of all risk exposures and experiences Acceptance of market and persistency risk impact on profit Monitoring and management of solvency to minimise Group Dependency
Partner Proposition	Our proposition solution fails to meet the needs, objectives and expectations of our current and potential future Partners.	<ul style="list-style-type: none"> Failure to attract new members of the Partnership Failure to retain advisers/Partners Available technology falls short of client and Partner expectations and fails to support growth objectives 	<ul style="list-style-type: none"> Focus on providing technically proficient and skilled advice proposition Reliable systems and administration support

POLICY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

Regulatory	We fail to meet current, changing or new regulatory or legislative expectations.	<ul style="list-style-type: none"> Failure to comply with changing regulation Inadequate internal controls Failure to respond to regulatory driven changes to the industry in which we operate Solvency Risk 	<ul style="list-style-type: none"> Compliance functions provide expert guidance and carry out extensive assurance work Strict controls are maintained in highly regulated areas Maintenance of appropriate solvency capital buffers, and continuous monitoring of solvency experience Fostering of positive regulatory relationships
Security & Resilience	We fail to adequately secure our physical assets, systems and/or sensitive information, or to deliver critical business services to our clients.	<ul style="list-style-type: none"> Internal or external fraud Core system failure Corporate, Partnership, or third-party, information security and cyber risks Disruption in key business services to our clients 	<ul style="list-style-type: none"> Business continuity planning Identification, communication, and response planning for the event of cyber crime Data leakage detection technology and incident reporting systems Internal awareness programmes Identification and assessment of critical business services
Strategy, competition & brand	Challenge from competitors and the impact of reputational damage.	<ul style="list-style-type: none"> Increased competitive pressure from traditional and disruptive (non-traditional) competitors Costs and charges pressure Negative media coverage 	<ul style="list-style-type: none"> Clear demonstration of value delivered to clients through advice, service and products Investment in improving positive brand recognition Ongoing development of client and Partner propositions

The Company is exposed to SJP Group withdrawing financial support which would impact on the ability of the Company to continue pursuing its strategic objectives. SJP has confirmed its ongoing commitment to the Company through the provision of a letter of support. This, combined with the financial performance and stability of SJP, mitigates this risk.

FINANCIAL KEY PERFORMANCE INDICATORS

Given the growth objectives of the business, the key performance indicators that management focus on are growth in turnover and profit/(loss) before tax.

	period ending 31 December 2021	year ending 31 March 2021
Turnover	£ 14,222,303	£ 19,061,433
Profit/(loss) before tax	168,421	(381,255)

During the COVID-19 pandemic the focus of the business has been on protecting our clients and Partners rather than seeking new account opportunities. In a difficult market the turnover held up robustly, coupled with strategic development of the proposition has ensured a strong growth in underlying profit before tax.

The Board are satisfied with the results of the business given the challenging market conditions during the period.

POLICY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

SECTION 172(1) STATEMENT

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. *Section 172 requires a director to have regard, amongst other matters, to the:*

- likely consequences of any decisions in the long-term;
- interests of the company's employees;
- need to foster the company's business relationships with suppliers, customers and others;
- impact of the company's operations on the community and environment;
- desirability of the company maintaining a reputation for high standards of business conduct, and
- need to act fairly as between members of the company.

In discharging our section 172 duties we have regard to the factors set out above. We also have regard to other factors which we consider relevant to the decision being made. Those factors, for example, include the interests and views of our key stakeholders. We acknowledge that every decision we make will not necessarily result in a positive outcome for all of our stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we do, however, aim to make sure *that our decisions are consistent and predictable.*

As part of a vertically integrated financial services Group, the Company's stakeholders are entirely aligned with the key stakeholders of the wider Group, being shareholders, Partners, employees, clients and society (represented by a number of groups including government, regulators, suppliers and the wider community), although some of those are more prominent for us as a subsidiary than others.

The Group as a whole is focused on ensuring value is generated and preserved over the long-term for all of its stakeholders and the core of our strategy is the long-term relationship St. James's Place and the Partnership have with our clients. This is what ultimately drives long-term value for shareholders and other stakeholders and could not be achieved if we did not seek to maintain a reputation for high standards of business conduct.

Authority for day-to-day management of this Company and the Group's other wholly-owned subsidiaries is delegated to executives. The boards of each company then engage management in setting, approving and overseeing execution of the business strategy and related policies, where relevant to that company. Throughout the period we, as a Board, review matters such as financial and operational performance, key risks, governance and regulatory compliance and the impact of decisions and policies affecting our key stakeholders.

The views of and the impact of the Company's activities on the key stakeholders are an important consideration for the Directors when making relevant decisions. Our governance framework is designed to provide opportunities for the Board to consider and discuss reports and papers that require decision making, which are sent in advance of each periodic Board meeting. The information contained therein, together with presentations to the Board, *provide the insight necessary to understand the interests and concerns of key stakeholders and other relevant factors when making decisions.* An example from 2021 that illustrates how this has contributed to our compliance with our section 172 duty to promote the success of the company is set out on the next page.

POLICY SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2021

Example	Consideration
Employees, Clients, External Suppliers	<p>While restrictions ease as the impact COVID-19 on society lessen, the Board carried out a review of items that had potentially benefitted employees during the pandemic, including working from home, with a view to ensure these remained in place in the "post COVID" working environment.</p> <p>The Board considered both the positive and negative impact the changes resulting from the pandemic had on employees at different stages of their career and considered solutions which meant employees could continue with the personal benefits whilst also recognising the value from face-to-face interaction.</p> <p>This led to the introduction of more flexible working practices, meaning that employees could benefit from having more autonomy on where their work was carried out, whilst still giving the option to work collaboratively in a direct contact setting.</p> <p>This approach was agreed to be the best method for both the business and its stakeholders to navigate a continually changing environment through COVID-19 and beyond.</p>

While there are cases where the Board itself judges that it should engage directly with certain stakeholder groups or on certain issues, the size and spread of both our stakeholders and the Group means that generally our stakeholder engagement is best co-ordinated at an operational or Group level. We find that as well as being a more efficient and effective approach, this also helps us achieve a greater positive impact on environmental, social and other issues than by working alone as an individual Company.

For details of the engagement with the Company's stakeholders that helps the Directors to understand the issues to which they must have regard, please see the Section 172(1) Statement in the St. James's Place plc Annual Report and Accounts 2021.

GOING CONCERN

Going concern has been evaluated by the Directors of the Company. As part of this the Directors have reviewed and take comfort from the Group's assessment of going concern as outlined in the St. James's Place plc Annual Report & Accounts.

The Directors concluded that, with the Group's support, it was reasonable to expect the Company to continue to act as an intermediary in the provision of financial services products 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 26 April 2022 and signed on its behalf in the same date by:



Mr P Craddock
Director

POLICY SERVICES LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021

The Directors present their report and the audited financial statements for the period ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company acts as an intermediary in the provision of financial services products.

RESULTS AND DIVIDENDS

The profit for the period, after taxation, amounted to £138,820 (year ending 31 March 2021 - loss £316,578).

No dividends were paid during the period (year ending 31 March 2021 - £Nil). The Directors do not recommend the payment of a final dividend (year ending 31 March 2021 - £Nil).

DIRECTORS

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

Mr P Craddock
Mrs K Dorrian
Mr K Dorrian
Mr P Edwards
Mr B Galvin (resigned 31 December 2021)
Mrs G Glen (resigned 31 May 2021)
Mr J Hill

EMPLOYEES

At 31 December 2021, the Company has 76 employees, including Directors (at 31 March 2021 - 74).

DIRECTORS' INDEMNITY AND INSURANCE

St. James's Place plc 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.

MATTERS COVERED IN THE STRATEGIC REPORT

Future developments, going concern and financial risk management are all referred to in the Strategic Report set out on pages 1 to 5 of the financial statements.

A summary of how the Directors' have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the Company during the financial period is set out in the Strategic Report within the Section 172 (1) Statement on pages 4 to 5.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

POLICY SERVICES LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2021**

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the Board of Directors on 26 April 2022 and signed on its behalf on the same date by:

A handwritten signature in black ink, appearing to read 'Mr Craddock', written in a cursive style.

Mr P Craddock
Director

POLICY SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2021

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the 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 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 also 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.

POLICY SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POLICY SERVICES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Policy Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the 9 month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2021; the statement of comprehensive income and the statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

POLICY SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POLICY SERVICES LIMITED (CONTINUED)

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the period ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as The Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue. Audit procedures performed by the engagement team included:

- Enquiries of the compliance team, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reading key correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- Reviewing relevant meeting minutes including those of the Board of Directors;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or posted by senior management; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

POLICY SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF POLICY SERVICES LIMITED (CONTINUED)

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Jamie Smith (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol
26 April 2022

POLICY SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2021**

		Period ended 31 December 2021 £	Year ended 31 March 2021 £
	Note		
Turnover	3	14,222,303	19,061,433
Cost of sales		(13,178,530)	(18,586,801)
GROSS PROFIT		1,043,773	474,632
Administrative expenses		(873,419)	(850,401)
OPERATING PROFIT/(LOSS)	4	170,354	(375,769)
Interest receivable and similar income		3,556	2,292
Interest payable and similar expenses		(5,489)	(7,778)
PROFIT/(LOSS) BEFORE TAXATION		168,421	(381,255)
Income tax	8	(29,601)	64,677
PROFIT/(LOSS) AND TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE PERIOD/YEAR		138,820	(316,578)

All amounts relate to continuing operations.

The notes and information on pages 15 to 25 form part of these financial statements.

POLICY SERVICES LIMITED
REGISTERED NUMBER: SC230167

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

		31 December 2021 £	31 March 2021 £
	Note		
FIXED ASSETS			
Property, plant and equipment	9	106,452	125,444
CURRENT ASSETS			
RECEIVABLES: Amounts falling due within one year	10	1,051,613	1,642,385
Cash and cash equivalents	11	8,889,931	7,448,759
		<u>9,941,544</u>	<u>9,091,144</u>
PAYABLES: Amounts falling due within one year	12	(3,634,219)	(2,990,934)
		<u>6,307,325</u>	<u>6,100,210</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,413,777</u>	<u>6,225,654</u>
PROVISIONS FOR LIABILITIES			
Provisions for liabilities	14	(3,313,850)	(3,264,547)
		<u>(3,313,850)</u>	<u>(3,264,547)</u>
NET ASSETS		<u>3,099,927</u>	<u>2,961,107</u>
EQUITY			
Share capital	16	3,000,000	3,000,000
Retained earnings		99,927	(38,893)
TOTAL SHAREHOLDERS' FUNDS		<u>3,099,927</u>	<u>2,961,107</u>

The financial statements on pages 12 to 25 were approved by the Board of Directors on 26 April 2022 and were signed on its behalf on the same date by:



Mr P Craddock
Director

The notes and information on pages 15 to 25 form part of these financial statements.

POLICY SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Share capital £	Retained earnings £	Total equity £
At 1 April 2021	3,000,000	(38,893)	2,961,107
Profit for the financial period	-	138,820	138,820
At 31 December 2021	<u>3,000,000</u>	<u>99,927</u>	<u>3,099,927</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Share capital £	Retained earnings £	Total equity £
At 1 April 2020	60	277,685	277,745
Loss for the financial year	-	(316,578)	(316,578)
Shares issued during the year	2,999,940	-	2,999,940
At 31 March 2021	<u>3,000,000</u>	<u>(38,893)</u>	<u>2,961,107</u>

The notes and information on pages 15 to 25 form part of these financial statements.

POLICY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

The Company is a private company limited by shares and is incorporated and domiciled in Scotland.

The address of the Company's registered office is Oracle Campus, Blackness Road, Linlithgow, West Lothian, EH49 7BF.

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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. The only area involving significant accounting estimate and judgement is the calculation of the provisions. Further details are given in note 14.

The principal accounting policies, which have been applied consistently throughout the period, 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 Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of St. James's Place plc as at 31 December 2021 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 Cost of sales

Cost of sales represents amounts paid to Partners in respect of the provision of advice, net of value added tax where this is applicable. It also includes other costs directly attributable to the servicing of the clients, for instance regulatory expenses.

2.5 Administrative expenses

Administrative expenses represent costs incurred in the ordinary activities of the Company and other third-party expenses, charged to the Statement of Comprehensive Income on an accruals basis.

POLICY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.6 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 period/year.

2.7 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.

2.8 Deferred taxation

Deferred tax is provided using the liability method, providing for timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Differences that arise from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.9 Property, Plant and Equipment

Property, plant and equipment are recognised under the cost model are stated at historical cost less *accumulated depreciation and any accumulated impairment losses*. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Leasehold improvements	10.00% Straight Line
Fixtures, fittings & equipment	20.00% Reducing Balance
Computer equipment	33.33% Straight Line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted *prospectively if appropriate, or if there is an indication of a significant change since the last reporting date*.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Administrative expenses' in the Statement of Comprehensive Income.

POLICY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.10 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.

2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the period/year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

POLICY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (CONTINUED)

2.13 Financial instruments

The Company recognises financial instruments when they become a party to the contractual arrangements of the instrument, in accordance with section 11 and 12 of FRS102. 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 assets held at amortised cost.

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 cost 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.

3. TURNOVER

All revenue represents fee and commission income for financial advice.

All turnover arose within the United Kingdom.

4. OPERATING PROFIT/(LOSS)

The operating profit/(loss) is stated after charging:

	Period ended 31 December 2021 £	Year ended 31 March 2021 £
Depreciation of property, plant and equipment	38,119	44,675
Defined contribution pension cost	53,379	66,597
Other operating lease rentals	98,336	190,733

POLICY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

5. AUDITORS' REMUNERATION

The Company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the Company:

	Period ended 31 December 2021 £	Year ended 31 March 2021 £
Fees for the audit of the Company	45,600	38,000

There were no other fees paid to the Company's auditors, PricewaterhouseCoopers LLP or their associates for services other than the statutory audit of the financial statements.

6. EMPLOYEES

Staff costs were as follows:

	Period ended 31 December 2021 £	Year ended 31 March 2021 £
Wages and salaries	1,725,941	2,163,645
Social security costs	150,320	211,311
Other pension cost	53,379	66,597
	<u>1,929,640</u>	<u>2,441,553</u>

Defined contribution personal pension plans are operated for employees. At 31 December 2021 a balance of £12,341 was outstanding (31 March 2021 - £12,605).

The average monthly number of employees, during the period was as follows:

	Period ended 31 December 2021 No.	Year ended 31 March 2021 No.
Directors	2	3
Support staff	4	4
Administration	71	64
	<u>77</u>	<u>71</u>

POLICY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

7. DIRECTORS' REMUNERATION

	Period ended 31 December 2021 £	Year ended 31 March 2021 £
Directors' remuneration	381,760	571,418

The aggregate emoluments of the highest paid Director in the period were £99,289 (year ended 31 March 2021 - £122,665), and cash supplements in lieu of their defined contribution pension scheme totalled £Nil (year ended 31 March 2021 - £Nil). The number of options the highest paid Director exercised over the shares in St. James's Place plc was £Nil (year ended 31 March 2021 - £Nil), and the number of shares receivable by them in respect of qualifying service was £Nil (year ended 31 March 2021 - £Nil).

During the period, there were 4 Directors (year ended 31 March 2021 - 4) employed by St. James's Place Management Services Limited, a company which is part of the St. James's Place Group.

At 31 December 2021, the number of Directors to whom retirement benefits are accruing, including those receiving cash supplements in lieu of their defined contribution pension scheme, is 6 (year ended 31 March 2021 - 7), including the highest paid Director. Retirement benefits are accrued in money purchase schemes for 2 (year ended 31 March 2021 - 2) of those Directors at the period end.

The number of Directors who exercised options over the shares in St. James's Place plc during the period while acting as Directors of this Company is 4 (year ended 31 March 2021 - 1). The number of Directors in respect of whose qualifying services shares were receivable under long-term incentive schemes is 4 (year ended 31 March 2021 - 4).

8. INCOME TAX

	Period ended 31 December 2021 £	Year ended 31 March 2021 £
Current tax		
UK corporation tax on profit/(loss) for the period/year	-	(54,489)
Adjustments in respect of prior periods	39,769	(12)
Total current tax	39,769	(54,501)
Deferred tax		
Origination and reversal of timing differences	(7,357)	(5,222)
Effect of change in tax rate on opening balance	4,297	-
Adjustments in respect of prior periods	(39,768)	-
Current year losses carried forward	32,660	(4,954)
Total deferred tax	(10,168)	(10,176)
Taxation on profit/loss	29,601	(64,677)

POLICY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

8. INCOME TAX (CONTINUED)

FACTORS AFFECTING TAX CHARGE/(CREDIT) FOR THE PERIOD/YEAR

The tax assessed for the period is lower than (year ended 31 March 2021 - higher than) the standard rate of corporation tax in the UK of 19% (year ended 31 March 2021 - 19%). The differences are explained below:

	Period ended 31 December 2021 £	Year ended 31 March 2021 £
Profit/(Loss) before taxation	168,421	(381,255)
Profit/(Loss) multiplied by the standard rate of corporation tax in the UK of 19% (year ended 31 March 2021 - 19%)	32,000	(72,438)
Effects of:		
Expenses not deductible for tax purposes	(4,336)	7,773
Adjustments to tax credit in respect of prior periods	-	(12)
Adjustment for change in tax rate	4,297	-
Fixed asset differences	(1,766)	-
Transfer pricing adjustments	(594)	-
Total tax charge/(credit) for the period/year	29,601	(64,677)

Future tax changes

In the UK budget of 5 March 2021, it was announced that the main rate of corporation tax will increase from 19% to 25% with effect from 1 April 2023. This change was substantively enacted on 24 May 2021 within the Finance Bill 2021 and as a result the relevant deferred tax balances have been remeasured.

As at 31 December 2021 the Company had carried forward trading losses of £202,773 (March 2021 £374,671) available for offset against future trading profits.

POLICY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

9. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvements £	Fixtures, fittings & equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 April 2021	51,513	41,282	294,130	386,925
Additions	-	6,723	12,404	19,127
At 31 December 2021	<u>51,513</u>	<u>48,005</u>	<u>306,534</u>	<u>406,052</u>
ACCUMULATED DEPRECIATION				
At 1 April 2021	25,476	21,506	214,499	261,481
Charge for the period on owned assets	3,861	1,925	32,333	38,119
At 31 December 2021	<u>29,337</u>	<u>23,431</u>	<u>246,832</u>	<u>299,600</u>
Net book value				
At 31 December 2021	<u>22,176</u>	<u>24,574</u>	<u>59,702</u>	<u>106,452</u>
At 31 March 2021	<u>26,037</u>	<u>19,776</u>	<u>79,631</u>	<u>125,444</u>

10. RECEIVABLES: Amounts falling due within one year

	31 December 2021 £	31 March 2021 £
Trade receivables	7,977	16,228
Corporation tax	334,815	718,241
Deferred taxation (note 13)	27,981	17,813
Prepayments and accrued income	680,840	890,103
	<u>1,051,613</u>	<u>1,642,385</u>

POLICY SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021**

11. CASH AND CASH EQUIVALENTS

	31 December 2021 £	31 March 2021 £
Cash at bank and in hand	8,889,931	7,448,759
	<u>8,889,931</u>	<u>7,448,759</u>

12. PAYABLES: Amounts falling due within one year

	31 December 2021 £	31 March 2021 £
Trade payables	2,246,966	2,345,138
Amounts owed to Group undertakings	438,425	242,778
Other taxation and social security	87,523	108,155
Other payables	16,385	14,441
Accruals and deferred income	844,920	280,422
	<u>3,634,219</u>	<u>2,990,934</u>

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

13. DEFERRED TAXATION

	Fixed asset timing differences £	Tax Losses £	Total £
Deferred Tax (Assets)/Liabilities			
At 1 April 2020	20,229	(27,866)	(7,637)
Credited to Statement of Comprehensive Income	(5,221)	(4,955)	(10,176)
At 31 March 2021	<u>15,008</u>	<u>(32,821)</u>	<u>(17,813)</u>
Utilised and created in period/year	(7,358)	32,661	25,303
Impact of rate change	4,297	-	4,297
Adjustments in respect of prior periods	(1,400)	(38,368)	(39,768)
At 31 December 2021	<u>10,547</u>	<u>(38,528)</u>	<u>(27,981)</u>

POLICY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

14. PROVISIONS FOR LIABILITIES

	Regulatory fees £	Claims £	Total £
At 1 April 2020	2,794,664	-	2,794,664
Charged to the Statement of Comprehensive Income	459,883	10,000	469,883
At 31 March 2021	3,254,547	10,000	3,264,547
Charged to the Statement of Comprehensive Income	-	49,303	49,303
At 31 December 2021	3,254,547	59,303	3,313,850

A provision for liability is held when it is probable that there will be an outflow of economic benefit, which can be measured reliably.

Regulatory fees provision is held for potentially underpaid regulatory fees as at 31 December 2021. The Directors are currently working with both the previous Management team and the FCA to resolve the matter.

This matter is expected to be resolved during the year ending 31 December 2022, with settlement of any agreed liability occurring within the same year.

Claims provisions relate to the cost of redress for complaints. The provision for the cost of redress for complaints is based on estimates of the total number of complaints expected to be upheld, the estimated cost of redress and the expected timing of settlement.

15. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES

The Company can suffer clawbacks from commissions received at any time. The Company has no control over these and they cannot be easily quantified. However, these are monitored closely by the Directors.

16. CALLED UP SHARE CAPITAL

	31 December 2021 £	31 March 2021 £
Authorised, allotted, called up and fully paid		
3,000,000 (31 March 2021 - 3,000,000) Ordinary shares of £1 each	3,000,000	3,000,000

POLICY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

17. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2021 £	31 March 2021 £
Not later than 1 year	171,727	131,470
Later than 1 year and not later than 5 years	580,571	696,686
	<u>752,298</u>	<u>828,156</u>

18. 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 2021, the following amounts were outstanding:

	31 December 2021 £	31 March 2021 £
Inter-Group payables		
St. James's Place Management Services Limited	438,425	242,778

19. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company regarded by the Directors as the immediate parent company is Virtue Money Limited, a company registered in Scotland.

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 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.