

**St. James's Place Unit Trust Group Limited**

**Annual report  
for the year ended 31 December 1998**

**Registered no: 947644**



# **St. James's Place Unit Trust Group Limited**

## **Annual report for the year ended 31 December 1998**

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# **St. James's Place Unit Trust Group Limited**

## **Directors and advisers**

### **Executive directors**

Mr M S Wilson (Chairman)  
Mr H J Gladman  
Mr D J Lamb  
Mr M D Moule  
Sir Mark Weinberg

### **Auditors**

PricewaterhouseCoopers  
Southwark Towers  
32 London Bridge Street  
London  
SE1 9SY

### **Non-executive directors**

Mr P A Hetherington  
Mr J B B Stewart

### **Solicitors**

Linklaters & Paines  
59-67 Gresham Street  
London  
EC2V 7JA

### **Secretary and registered office**

Mr H J Gladman  
J. Rothschild House  
Dollar Street  
Cirencester  
Gloucestershire  
GL7 2AQ

### **Bankers**

National Westminster Bank PLC  
32 Market Place  
Cirencester  
Gloucestershire  
GL7 2NU

# **St. James's Place Unit Trust Group Limited**

## **Directors' report for the year ended 31 December 1998**

The directors present their report and the audited financial statements for the year ended 31 December 1998.

### **Principal activity**

The principal activity of the company is the management of unit trusts. The company is regulated by the Personal Investment Authority (PIA) and is a member of the Investment Management Regulatory Organisation Limited (IMRO), and the Association of Unit Trusts and Investment Funds (AUTIF).

### **Business review**

During the year ended 31 December 1998 the company made a profit after taxation of £3,786,000 (1997: £3,751,000).

The directors expect the company to continue to make satisfactory profits in the future.

The profit and loss account for the year is set out on page 8.

### **Dividend and transfer to reserves**

The directors have declared three interim dividends of £1.30, £0.497, and £0.535 per share which were paid on 5 August 1998, 2 December 1998 and 19 March 1999. No final dividend is recommended.

After payment of the dividend, the retained loss of £878,000 for the year will be transferred to the company's reserves.

### **Directors**

The directors of the company, all of whom held office throughout the year, are listed on page 2.

### **Directors' interests**

The interests of Mr M S Wilson, Mr M D Moule and Sir Mark Weinberg, who are also directors of the ultimate parent company, St. James's Place Capital plc, are disclosed in the consolidated financial statements of that company.

The interests of those directors who are not also directors of St. James's Place Capital plc are detailed below:-

# St. James's Place Unit Trust Group Limited

## Directors' report for the year ended 31 December 1998

### Directors' interests (continued)

#### Executive Share Option Scheme

Director	Options held at 1 January 1998	Granted in Year	Options held at 31 December 1998	Exercise Price	Date from which Exercisable	Expiry Date
Mr H Gladman	70,000	-	70,000	0.57p	27 Dec 1999	27 Dec 2004
	148,750	-	148,750	1.71p	19 Jan 2001	19 Jan 2006
	200,000	-	200,000	£1.33	1 Jul 2001	13 Jul 2007
Mr D Lamb	61,249	-	61,249	0.57p	1 Jan 1998	25 Feb 2004
	175,000	-	175,000	1.71p	14 Feb 2000	14 Feb 2005
	200,000	-	200,000	£1.33	1 Jul 2001	13 Jul 2007

#### SAYE Share Option Scheme

Director	Options held at 1 January 1998	Granted in Year	Options held at 31 December 1998	Exercise Price	Date from which Exercisable	Expiry Date
Mr H Gladman	16,121	-	16,121	£1.07	1 Sep 2002	1 Mar 2003
Mr D Lamb	16,121	-	16,121	£1.07	1 Sep 2002	1 Mar 2003

#### Ordinary Shares

Director	1 January 1998 Ordinary Shares of 15 pence each		31 December 1998 Ordinary Shares of 15 pence each	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
Mr D Lamb	45,938	15,312	36,138	10,712
Mr P Hetherington	3,290	-	8,720	-

As at 31 December 1998 the share price was £2.89½. The range of prices between 1 January 1998 and 31 December 1998 was £3.83 to £1.67½.

The company's register of directors' interests, which is open to inspection, contains full details of director's shareholdings and options to subscribe.

#### Employees

The company has no employees.

# **St. James's Place Unit Trust Group Limited**

## **Directors' report for the year ended 31 December 1998**

### **Payment policy for creditors**

The payment of supplier invoices is made on the company's behalf by J. Rothschild Assurance plc ("JRA"), a fellow subsidiary company.

It is JRA's policy to pay creditors in accordance with the Confederation of British Industry (CBI) Code of Practice on supplier payments. The company's average number of days purchases outstanding in respect of trade creditors at 31 December 1998 was 28 days (1997: 25 days).

### **Taxation status**

The company was not a close company within the provisions of the Income and Corporation Taxes Act 1988 and this position has not changed since the end of the financial year.

### **Auditors**

Following the merger between Price Waterhouse and Coopers & Lybrand, PricewaterhouseCoopers were appointed to fill the casual vacancy that arose following Price Waterhouse's resignation as auditors. PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution that they be re-appointed will be proposed at the Annual General Meeting.

By order of the Board



Mr M D Moule  
Director

11 March 1999

## **St. James's Place Unit Trust Group Limited**

### **Statement of directors' responsibilities in respect of the financial statements**

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss for that period. In preparing those financial statements, the directors are also required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 keeping proper accounting records which 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 1985 as directed above. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **St. James's Place Unit Trust Group Limited**

## **Auditors' report to the members of St. James's Place Unit Trust Group Limited**

We have audited the financial statements on pages 8 to 14, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 10.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the Annual Report, including as described on page 6 the financial statements. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you, if in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions is not disclosed.

We read the other information contained in the directors' report and financial statements and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

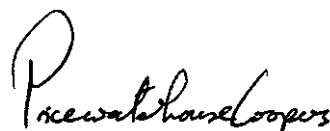
### **Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 31 December 1998 and of the result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**PricewaterhouseCoopers**  
Chartered Accountants and Registered Auditors  
London

11 March 1999



# St. James's Place Unit Trust Group Limited

## Profit and loss account for the year ended 31 December 1998

	Notes	Year ended 31 December 1998 £'000	Year ended 31 December 1997 £'000
<b>Turnover</b>	2	182,348	181,387
Cost of sales		(170,333)	(172,343)
		<hr/>	<hr/>
<b>Gross profit</b>		12,015	9,044
Operating expenses	3	(7,094)	(5,344)
		<hr/>	<hr/>
<b>Operating profit</b>		4,921	3,700
Interest receivable and similar income		563	473
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>	5	5,484	4,173
Tax on profit on ordinary activities	6	(1,698)	(422)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		3,786	3,751
Dividends	7	(4,664)	(2,888)
		<hr/>	<hr/>
<b>Retained (loss)/profit</b>	12	(878)	863
		<hr/> <hr/>	<hr/> <hr/>

There were no acquisitions during the year nor were any operations discontinued.

There were no material recognised gains or losses other than the retained loss of £878,000 for the year to 31 December 1998 (1997: retained profit £863,000).

The notes on pages 10 to 14 form an integral part of these financial statements.

# St. James's Place Unit Trust Group Limited

## Balance sheet as at 31 December 1998

	Notes	1998 £'000	1997 £'000
<b>Current assets</b>			
Stock of units		384	345
Debtors	8	2,646	1,550
Cash at bank and in hand		8,330	7,581
		<hr/>	<hr/>
		11,360	9,476
<b>Creditors:</b> amounts falling due within one year	9	(9,357)	(6,595)
		<hr/>	<hr/>
<b>Net current assets</b>		2,003	2,881
		<hr/>	<hr/>
<b>Net assets</b>		2,003	2,881
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	10	2,000	2,000
Profit and loss account	12	3	881
		<hr/>	<hr/>
		2,003	2,881
		<hr/>	<hr/>

The financial statements on pages 8 to 14 were approved by the board of directors on 11 March 1999 and were signed on its behalf by:



Mr M D Moule  
Director

The notes on pages 10 to 14 form an integral part of these financial statements.

# **St. James's Place Unit Trust Group Limited**

## **Notes to the financial statements for the year ended 31 December 1998**

### **1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### **Basis of accounting**

The financial statements are prepared in accordance with the historical cost convention as modified to include listed investments in the financial statements at market value.

The change in value of the listed investments in any year is taken to the profit and loss account.

The company has taken advantage of the exemption permitted under FRS1 (revised 1997) not to prepare a cashflow statement.

#### **Turnover**

Turnover represents the sale and liquidation proceeds of units and fees receivable for the administration of unit trusts.

#### **Stock of units**

Units held by the manager are valued at the lower of cost or net realisable value.

#### **Investment income**

Income from investments is included, together with the related tax credit, in the profit and loss account on an accruals basis.

#### **Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that a liability will crystallise.

### **2 Segmental analysis by class of business and geographical area**

In the opinion of the directors, the company has carried on business of only one class and has supplied markets that do not differ substantially from each other.

# St. James's Place Unit Trust Group Limited

## Notes to the financial statements for the year ended 31 December 1998

### 3 Other operating expenses

	Year ended 31 December 1998 £'000	Year ended 31 December 1997 £'000
Distribution costs	2,773	2,322
Administrative expenses	4,321	3,022
	<hr/>	<hr/>
	7,094	5,344
	<hr/>	<hr/>

### 4 Directors' emoluments

	Year ended 31 December 1998 £'000	Year ended 31 December 1997 £'000
Fees	6	6
	<hr/>	<hr/>

### 5 Profit on ordinary activities before taxation

	Year ended 31 December 1998 £'000	Year ended 31 December 1997 £'000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration	22	12
	<hr/>	<hr/>

# St. James's Place Unit Trust Group Limited

## Notes to the financial statements for the year ended 31 December 1998

### 6 Tax on profit on ordinary activities

	Year ended 31 December 1998 £'000	Year ended 31 December 1997 £'000
United Kingdom corporation tax at 31% (1997: 31.5%)		
- Current year	1,698	667
- Adjustment in respect of prior periods	(697)	(947)
Deferred taxation		
- Current year	-	(1)
Group relief		
- Adjustment in respect of prior periods	697	703
	<hr/>	<hr/>
	1,698	422
	<hr/>	<hr/>

### 7 Dividends

	Year ended 31 December 1998 £'000	Year ended 31 December 1997 £'000
Ordinary:		
Interims paid of £1.30, £0.497, £0.535 per share (1997: £1.444 per share)	4,664	2,888
	<hr/>	<hr/>

### 8 Debtors

	1998 £'000	1997 £'000
Dealing debtors	2,288	1,366
Other debtors	319	147
Prepayments	39	37
	<hr/>	<hr/>
	2,646	1,550
	<hr/>	<hr/>

# St. James's Place Unit Trust Group Limited

## Notes to the financial statements for the year ended 31 December 1998

### 9 Creditors: amounts falling due within one year

	1998 £'000	1997 £'000
Dealing creditors	2,910	1,649
Amounts owed to group undertakings	3,019	860
Corporation tax	1,724	246
Other creditors including taxation and social security	626	924
Dividends payable	1,070	2,888
Accruals and deferred income	8	28
	<hr/>	<hr/>
	9,357	6,595
	<hr/>	<hr/>

### 10 Called up share capital

	1998 £'000	1997 £'000
<b>Authorised</b>		
2,000,000 Ordinary shares of £1 each	2,000	2,000
	<hr/>	<hr/>
<b>Allotted, called up and fully paid</b>		
2,000,000 Ordinary shares of £1 each	2,000	2,000
	<hr/>	<hr/>

### 11 Reconciliation of movement in shareholders' funds

	1998 £'000	1997 £'000
Profit for financial period	3,786	3,751
Dividend	(4,664)	(2,888)
	<hr/>	<hr/>
Net (decrease)/addition in shareholders' funds	(878)	863
Opening shareholders' funds	2,881	2,018
	<hr/>	<hr/>
Closing shareholders' funds	2,003	2,881
	<hr/>	<hr/>

# **St. James's Place Unit Trust Group Limited**

## **Notes to the financial statements for the year ended 31 December 1998**

### **12 Reserves**

	£'000
<b>Profit and loss account</b>	
At 1 January 1998	881
Retained profit for the year	(878)
	<hr/>
<b>At 31 December 1998</b>	<b>3</b>
	<hr/>

### **13 Ultimate parent undertaking**

The company's parent company is J. Rothschild Assurance Holdings plc which is incorporated in Great Britain and registered in England and Wales. The company's ultimate parent company is St. James's Place Capital plc (SJPC) which is incorporated in Great Britain and registered in England and Wales. Copies of SJPC's consolidated financial statements may be obtained from J. Rothschild House, Dollar Street, Cirencester, Gloucestershire GL7 2AQ.

### **14 Related party transactions**

Advantage has been taken of the exemption from disclosure of related party transactions on the grounds that 90 per cent or more of the company's voting rights are controlled within the SJPC group.