

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

**Annual report  
for the year ended 31 December 2006**

**Registered no: 947644**

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

## **Annual report for the year ended 31 December 2006**

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

## **Directors and advisers**

### **Executive directors**

Mr M S Wilson (Chairman)  
Mr A H Batchelor  
Mr D C Bellamy  
Mr R Chatterton  
Mr A M Croft  
Mr I Gascoigne  
Mr H J Gladman  
Mr M R Gravestock  
Ms S Harris  
Mr D J Lamb  
Mr M J Lund (resigned 4 Jan 2007)  
Mr W P Tonks  
Mr S P Williams

### **Auditors**

KPMG Audit Plc  
1 Canada Square  
London  
E14 5AG

### **Secretary**

St James's Place Administration Limited

### **Registered office**

St James's Place House  
Dollar Street  
Cirencester  
Gloucestershire  
GL7 2AQ

### **Bankers**

Bank of Scotland  
150 Fountainbridge  
Edinburgh  
EH3 9PE

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

## **Directors' report**

### **for the year ended 31 December 2006**

The directors present their report and the audited financial statements for the year ended 31 December 2006

#### **Business review**

The company, which is a wholly owned subsidiary of St James's Place Wealth Management Group plc (which in turn is a wholly owned subsidiary of St James's Place plc ('SJP')), acts as a unit trust manager. The company is authorised and regulated by the Financial Services Authority and is a member of the Investment Management Association (IMA).

In its capacity as a unit trust manager, the company manages 11 different unit trusts which are each classified under the Financial Services Authority's new Collective Investment Scheme Sourcebook as UCITS Schemes. Investments in each unit trust are eligible to be classified as ISAs and PEPs.

Sales of the company's unit trust products are made through the St James's Place Partnership, which is the sole distribution arm for the complete range of St James's Place group range of wealth management products. Further information regarding the St James's Place Partnership and the range of wealth management products is included within the business review of the consolidated accounts of St James's Place plc.

Back office administration of the company along with the fund administration of the underlying unit trusts is outsourced to third parties. Investment management of the underlying assets of the unit trusts is also contracted out to a number of carefully selected investment management firms. This approach to fund management is adopted by the St James's Place group as a whole for the management of our clients' investments be they investment bonds, pensions or unit trusts. Further information relating to the St James's Place investment management approach, including the performance monitoring of the underlying unit trusts, is included within the business review of the consolidated accounts of St James's Place plc.

The strategy and performance measurement of the company's business are not considered by the Board in isolation from the rest of the St James's Place group business. Accordingly at a group level, the St James's Place plc Board establishes a business plan for the whole group, which is monitored regularly. As part of that process, key performance indicators (KPIs) are also set and monitored by the Board at a group level. These KPIs include new business growth (on an Annual Premium Equivalent basis), group European Embedded Value operating profits and growth in the size and productivity of the St James's Place Partnership.

The company operates within the St James's Place Group 'Risk Management Framework' as described in the business review of St James's Place plc annual report and accounts. This 'Risk Management Framework' describes the risk management policies and procedures that are applicable to the company. The Principal Risks & Uncertainties facing the St James's Place Group are set out in the business review of the consolidated accounts of St James's Place plc annual report and accounts.

The financial statements for the year ended 31 December 2006 are set out on pages 10 to 17. The retained profit for the year is disclosed on page 10. The directors declared an interim dividend of £2.00 per share on 25 April 2006 (2005: £2.00, £0.50, £0.50 and £0.50). No final dividend is recommended by the Board.

During the year, the company increased its new business sales on an Annual Premium Equivalent (APE) basis by 45% from £374.8 million to £544.9 million.

**St. James's Place Unit Trust Group Limited**  
**Directors' report**  
**for the year ended 31 December 2006**

**Directors**

The directors of the company are listed on page 2 Mr M Lund resigned as a director on 4 January 2007

**Directors' interests**

None of the directors have a beneficial interest in the shares of the company

The interests of Mr D Bellamy, Mr A Croft, Mr I Gascoigne, Mr M Lund and Mr M S Wilson in the shares of HBOS plc, the company's ultimate parent undertaking, and in the shares of the parent company, St James's Place plc ("SJP plc"), are disclosed in the consolidated financial statements of SJP plc

The interests of those directors who are not also directors of SJP plc are detailed below -

**Executive Share Option Scheme**

Director	Options held at 1 January 2006	Granted/ (Exercised) in year	Options held at 31 December 2006	Exercise Price	Date from which Exercisable	Expiry Date
A Batchelor	173,659	(173,659)	-	£1 33	1 July 2002	13 July 2007
	252,808	(252,808)	-	£0 89	10 Mar 2006	10 Mar 2013
	126,050	-	126,050	£1 78½	27 Feb 2007	27 Feb 2014
R Chatterton	-	-	-	-	-	-
H Gladman	140,113	(140,113)	-	£1 33	1 July 2002	13 July 2007
	227,528	(227,528)	-	£0 89	10 Mar 2006	10 Mar 2013
	113,445	-	113,443	£1 78½	27 Feb 2007	27 Feb 2014
M Gravestock	177,500	(177,500)	-	£1 33	1 July 2001	13 July 2007
	12,500	-	12,500	£2 48½	30 June 2003	30 June 2010
	72,000	-	72,000	£1 45	15 Mar 2007	15 Mar 2012
	109,243	-	109,243	£1 78½	27 Feb 2007	27 Feb 2014
S Harris	57,412	(57,412)	-	£1 33	1 Jun 2002	13 Jul 2007
	7,500	-	7,500	£2 23½	1 Jan 2004	24 Dec 2009
	17,500	-	17,500	£1 45	27 Feb 2007	13 Dec 2010
	30,000	-	30,000	£1 45	15 Mar 2007	15 Mar 2012
	160,112	(160,112)	-	£0 89	10 Mar 2006	10 Mar 2013
	79,831	-	79,831	£1 78½	27 Feb 2007	27 Feb 2014
D Lamb	140,013	(140,013)	-	£1 33	1 July 2002	13 July 2007
	244,382	(244,382)	-	£0 89	10 Mar 2006	10 Mar 2013
	134,453	-	134,453	£1 78½	27 Feb 2007	27 Feb 2014
W Tonks	50,000	-	50,000	£2 46	22 Mar 2008	22 Mar 2010
S Williams	200,000	(200,000)	-	£1 33	1 July 2001	13 July 2007
	210,674	(210,674)	-	£0 89	10 Mar 2006	10 Mar 2013
	105,042	-	105,042	£1 78½	27 Feb 2007	27 Feb 2014

On 10 March 2006, Mr A Batchelor, Mr H Gladman, Mr M Gravestock, Ms S Harris, Mr D Lamb, and Mr S Williams exercised 426,467, 367,641, 177,500, 217,524, 384,395 and 410,674 share options respectively when the mid market close price of St James's Place plc ordinary 15p shares was £3 07 per share

The exercise price corresponds with the market price (as defined in the Scheme rules) on the date on which the options were granted

**St. James's Place Unit Trust Group Limited**  
**Directors' report**  
**for the year ended 31 December 2006**

**Directors' interests (continued)**

**All Employee Share Option Scheme**

Director	Options held at 1 January 2006	Granted/ (Exercised) In year	Options held at 31 December 2006	Exercise Price	Date from which exercisable	Expiry date
A Batchelor	22,812	-	22,812	£0 72	1 May 2008	31 Oct 2008
R Chatterton	-	1,072	1,072	£2 44	1 May 2009	31 Oct 2009
H Gladman	13,125	(13,125)	-	£0 72	1 May 2006	31 Oct 2006
	-	3,831	3,831	£2 44	1 May 2009	31 Oct 2009
M Gravestock	6,562	(6,562)	-	£0 72	1 May 2006	31 Oct 2006
	11,406	-	11,406	£0 72	1 May 2008	31 Oct 2008
	-	1,915	1,915	£2 44	1 May 2009	31 Oct 2009
S Harris	22,812	-	22,812	£0 72	1 May 2008	31 Oct 2008
D Lamb	22,812	-	22,812	£0 72	1 May 2008	31 Oct 2008
W Tonks	8,518	-	8,518	£1 94	1 May 2010	31 Oct 2010
S Williams	22,812	-	22,812	£0 72	1 May 2008	31 Oct 2008

On 2 May 2006, Mr H Gladman and Mr M Gravestock exercised 13,125 and 6,562 share options respectively when the mid market close price of St James's Place plc ordinary 15p shares was £3 6425 per share

**Deferred Bonus Scheme – shares held**

Director	Balance at 1 January 2006	Granted/ (Released) in year	Balance at 31 December 2006
A Batchelor	38,783	-	38,783
	-	26,640	26,640
R Chatterton	-	15,039	15,039
H Gladman	37,693	-	37,693
	-	25,781	25,781
M Gravestock	43,296	-	43,296
	-	24,921	24,921
S Harris	27,507	-	27,507
	-	18,906	18,906
D Lamb	44,308	-	44,308
	-	30,937	30,937
W Tonks	-	25,208	25,208
S Williams	33,610	-	33,610
	-	22,343	22,343

# St. James's Place Unit Trust Group Limited

## Directors' report

### for the year ended 31 December 2006

#### Directors' interests - Deferred Bonus Scheme (continued)

Share awards were granted on 8 March 2006, equal in value to the 2005 annual cash bonus. There shares will be held in trust for a restricted period ending on 8 March 2009. The share price on 8 March 2006 was £3.20.

Outstanding awards at the year end relate to share awards granted in 2004, 2005 and 2006 (where the restricted period ends on 30 March 2007, 29 March 2008 and 8 March 2009 respectively). The share price at the date of award for the 2006 grant (8 March 2006) was £3.20. The share price at the date of the award for the 2005 grant (29 March 2005) was £2.42 and the share price at the date of the award for the 2004 grant (30 March 2004) was £1.8575.

#### Performance Share Plan

Director	Balance at 1 January 2006	Granted/ (Exercised) in year	Balance at 31 December 2006	Date from which exercisable	Expiry date
A Batchelor	52,901 -	- 37,617	52,901 37,617	17 May 2008 2 Mar 2009	17 Nov 2008 2 Sept 2009
R Chatterton	32,502 -	- 35,266	32,502 35,266	17 May 2008 2 Mar 2009	17 Nov 2008 2 Sept 2009
H Gladman	51,194 -	- 35,266	51,194 35,266	17 May 2008 2 Mar 2009	17 Nov 2008 2 Sept 2009
M Gravestock	49,488 -	- 34,090	49,488 34,090	17 May 2008 2 Mar 2009	17 Nov 2008 2 Sept 2009
S Harris	37,542 -	- 30,564	37,542 30,564	17 May 2008 2 Mar 2009	17 Nov 2008 2 Sept 2009
D Lamb	61,433 -	- 42,319	61,433 42,319	17 May 2008 2 Mar 2009	17 Nov 2008 2 Sept 2009
W Tonks	54,607 -	- 37,617	54,607 37,617	17 May 2008 2 Mar 2009	17 Nov 2008 2 Sept 2009
S Williams	44,368 -	- 32,915	44,368 32,915	17 May 2008 2 Mar 2009	17 Nov 2008 2 Sept 2009

#### Ordinary Shares in SJP plc

Director	31 December 2006		1 January 2006	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
A Batchelor	81,445	21,497	74,805	1,497
R Chatterton	15,039	-	-	-
H Gladman	129,129	-	93,299	-
M Gravestock	109,859	-	184,938	-
S Harris	70,633	-	27,507	-
D Lamb	211,297	3,681	180,360	3,681
W Tonks	25,208	-	-	-
S Williams	85,953	80,000	98,610	80,000

The beneficial interests set out above include the deferred bonus scheme awards held in trust for the directors, details of which are set out on page 5.

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

**St. James's Place Unit Trust Group Limited**  
**Directors' report**  
**for the year ended 31 December 2006**

**Directors' interests (continued)**

The exercise price corresponds with the share price (as defined in the Scheme rules) on the date on which the options were granted. As at 31 December 2006 the share price of St James's Place plc was £4.2975. The range of prices between 1 January 2006 and 31 December 2006 was £2.68 to £4.345.

**Share Interests in HBOS plc**

The interests of directors in the share capital of HBOS plc as at the beginning and end of the year, are given below:

Director	31 December 2006 Ordinary Shares of 25 pence each		1 January 2006 Ordinary Shares of 25 pence each	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
A Batchelor	1,824	-	1,824	-
D Lamb	200	-	200	-

**Employees**

The company has no employees.

**Payment policy for creditors**

The payment of supplier invoices is made on the company's behalf by St James's Place Management Services Limited ("SJPMs"), a fellow subsidiary company.

It is SJPMs's policy to pay creditors in accordance with the Confederation of British Industry (CBI) Better Practice Payment Code on supplier payments. SJPMs's average number of days' purchases outstanding in respect of trade creditors at 31 December 2006 was 11 days (2005: 9 days).

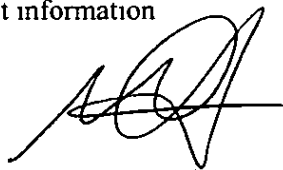
**Auditors**

KPMG Audit Plc has indicated its willingness to continue in office. The company has elected, by way of an elective resolution dated 16 August 1995, to dispense with the obligation to appoint auditors annually.

**Disclosure of information to auditors**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the Board



St James's Place Administration Limited  
Corporate Secretary

24 April 2007



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

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

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, 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 that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# St. James's Place Unit Trust Group Limited

## Independent auditors' report to the members of St James's Place Unit Trust Group Limited

We have audited the financial statements ("the financial statements") of St James's Place Unit Trust Group Limited for the year ended 31 December 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 8.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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 1985. We also report to you if, in our opinion, the information given in the Directors' Report is consistent with the financial statements. In addition we report to you if, in our opinion, 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 other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 made 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, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements.



KPMG Audit Plc  
Chartered Accountants  
Registered Auditor  
London

27 April

2007

**St. James's Place Unit Trust Group Limited**  
**Profit and loss account**  
**for the year ended 31 December 2006**

	Notes	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
<b>Turnover</b>	2	52,536	39,556
<b>Operating expenses</b>	3	(31,857)	(25,789)
		<hr/>	<hr/>
<b>Operating profit</b>		20,679	13,767
Interest receivable and similar income		962	565
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		21,641	14,332
Tax on profit on ordinary activities	6	(6,457)	(4,282)
		<hr/>	<hr/>
<b>Profit on ordinary activities after taxation, being profit for the financial year</b>		15,184	10,050
Dividends paid	7	(4,000)	(7,000)
		<hr/>	<hr/>
<b>Retained profit</b>	12	11,184	3,050
		<hr/>	<hr/>

The result for the year relates wholly to continuing operations

The company has no other recognised gains and losses during the current and previous year and therefore a separate statement of total recognised gains and losses has not been presented

The notes on pages 12 to 17 form an integral part of these financial statements

**St. James's Place Unit Trust Group Limited**  
**Balance sheet**  
**as at 31 December 2006**

	Notes	2006 £'000	2005 £'000
<b>Current assets</b>			
Stock of units		554	548
Debtors	8	11,755	11,621
Cash at bank and in hand		23,879	16,161
		<hr/>	<hr/>
		36,188	28,330
<b>Creditors' amounts falling due within one year</b>	9	(18,982)	(22 308)
		<hr/>	<hr/>
<b>Net current assets</b>		17,206	6,022
		<hr/>	<hr/>
<b>Net assets</b>		17,206	6,022
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	10	2,000	2,000
Profit and loss account	12	15,206	4,022
		<hr/>	<hr/>
<b>Equity shareholders' funds</b>	11	17,206	6 022
		<hr/>	<hr/>

The financial statements on pages 10 to 17 were approved by the board of directors on **24 April 2007** 2007 and were signed on its behalf by

A- CO

Director

The notes on pages 12 to 17 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 2006**

**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.

The company has taken advantage of the exemption permitted under FRS1 (revised) not to prepare a cash flow statement as it is a wholly owned subsidiary of SJP plc, which prepares a consolidated cash flow statement dealing with the cash flows of the group.

**Turnover**

Turnover represents commissions and fees receivable by the company from the management 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 in the profit and loss account on an accruals basis.

**Unearned commission**

Unearned commission is recognised upon payment made as an asset in the balance sheet, which is then expensed to the profit and loss account over the period it is earned (up to the initial 60 month period of acceleration).

**Deferred taxation**

Provision is made for deferred taxation, using the liability method, on all timing differences. The provision for a deferred tax asset is only made to the extent that a timing difference will be of future benefit.

**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. All turnover is derived from within the United Kingdom.

**St. James's Place Unit Trust Group Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2006**

**3 Other operating expenses**

	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
Distribution costs	5,807	4,813
Administrative expenses	26,050	20,976
	<hr/>	<hr/>
	31,857	25,789
	<hr/>	<hr/>

**4 Directors' emoluments**

None of the directors received any emoluments in respect of their services to the company for the year (2005 – nil)

The number of directors to whom retirement benefits are accruing is 13 (2005 13) The benefits are accrued in the pension scheme of St James's Place UK plc, a fellow subsidiary company

The number of directors who exercised options over the shares in SJP plc during the year is 10 (2005 1)

**5 Auditors' remuneration**

The statutory audit fee of £25,000 (2005 £25,000) was paid on behalf of the company by another group company, St James's Place Management Services Limited, and subsequently recharged back to the company

There were no fees paid to the company's auditor, KPMG Audit Plc, or its associates, for services other than the statutory audit of the company

**St. James's Place Unit Trust Group Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2006**

**6 Tax on profit on ordinary activities**

**(a) Analysis of tax charge in the period:**

	2006 £'000	2005 £'000
Corporation tax at 30% (2005 30%)		
- current year	6,457	4,299
- adjustment in respect of prior years	-	(126)
Group relief		
- adjustment in respect of prior years	-	109
<b>Total current tax charge for the period</b>	<b>6,457</b>	<b>4,282</b>
Deferred taxation		
- current year	-	-
<b>Total tax charge for the year</b>	<b>6,457</b>	<b>4,282</b>

**(b) Factors affecting the tax charge for the current period:**

The standard rate of corporation tax in the UK is 30% (2005 30%) Differences to the actual current tax charge for the period (which excludes the deferred tax charge) are explained below

	2006 £'000	2005 £'000
Profit on ordinary activities before taxation	21,641	14,332
Corporation tax at 30%	6,492	4,300
<b>Effects of.</b>		
Transfer pricing adjustment FA2005 Sch 28AA(1)	(35)	(18)
	(35)	(18)
<b>Current tax charge for the year</b>	<b>6,457</b>	<b>4,282</b>

**St. James's Place Unit Trust Group Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2006**

**7 Dividends**

	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
Ordinary		
Interim paid of £2 00 (2005 £2 00, £0 50, £0 50 and £0 50 per share)	4,000	7,000

**8 Debtors**

	Year ended 31 December 2006 £'000	Year ended 31 December 2005 £'000
Dealing debtors	3,923	11,440
Unearned commission	4,121	-
Corporation tax	3,260	-
Other debtors	201	181
Prepayments	250	-
	11,755	11,621

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

	2006 £'000	2005 £'000
Dealing creditors	10,803	14,517
Amounts owed to group undertakings	1,243	1,319
Corporation tax	-	1,515
Other creditors including taxation and social security	6,149	4,044
Accruals and deferred income	787	913
	18,982	22,308



**St. James's Place Unit Trust Group Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2006**

**10 Called up share capital**

	2006 £'000	2005 £'000
<b>Authorised, allotted, called up and fully paid</b>		
2,000,000 Ordinary shares of £1 each	2,000	2,000

**11 Reconciliation of movement in equity shareholders' funds**

	2006 £'000	2005 £'000
Profit for the financial year	15,184	10,050
Dividends paid	(4,000)	(7,000)
Net addition to shareholders' funds	11,184	3,050
Opening shareholders' funds	6,022	2,972
Closing shareholders' funds	17,206	6,022

**12 Profit and loss account**

	£'000
At 1 January 2006	4,022
Retained profit for the year	11,184
<b>At 31 December 2006</b>	<b>15,206</b>

**St. James's Place Unit Trust Group Limited**  
**Notes to the financial statements**  
**for the year ended 31 December 2006**

**13 Ultimate parent undertaking**

The ultimate parent undertaking is HBOS plc, a company registered in Scotland. HBOS plc is the parent of the largest group in which the results of the company are consolidated. Copies of the consolidated accounts of HBOS plc may be obtained from The Mound, Edinburgh, EH1 1YZ.

The immediate parent company is St James's Place Wealth Management Group plc, a company registered in England and Wales.

The parent undertaking of the smallest group to consolidate the accounts of the company is St James's Place plc, a company registered in England and Wales, copies of whose consolidated accounts may be obtained from the Company Secretary, St James's Place plc, St James's Place House, Dollar Street, Cirencester, Gloucestershire, GL7 2AQ.

**14 Related party transactions**

Advantage has been taken of the exemption from disclosure of related party transactions with companies within the group whose parent company is St James's Place plc on the grounds that 90 per cent of the company's voting rights are controlled within the group.

**15 Registered office**

The address of the registered office is St James's Place House, Dollar Street, Cirencester Gloucestershire, GL7 2AQ.