

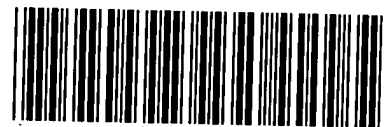
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ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2015

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ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

D C Bellamy
A M Croft
I S Gascoigne
D J Lamb

COMPANY SECRETARY

St. James's Place Corporate Secretary Limited

REGISTERED NUMBER

00947644

REGISTERED OFFICE

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

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

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ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

INTRODUCTION

St. James's Place Unit Trust Group Limited (the "Company") 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, the ultimate parent company of the St. James's Place Group (the "Group"). The Company is authorised and regulated by the Financial Conduct Authority (FCA).

BUSINESS REVIEW

In its capacity as a unit trust manager, the Company manages 35 different unit trusts (2014 - 33), of which 31 (2014 - 29) are classified under the Financial Conduct Authority's Collective Investment Scheme Sourcebook as UCITS funds and 4 (2014 - 4) as NURS funds. Investments in each unit trust, except for the Money Market 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 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 and the Group's investment management approach is included within the business review of the St. James's Place plc Annual Report and Accounts.

On 26 October 2015, client holdings in St. James's Place Unit Trust Group Limited were re-registered in the name of St. James's Place Nominees Limited ('SJP Nominees'), a fellow Group company, and the administration for these holdings was transferred to St. James's Place Investment Administration Limited ('SJPIA'), which is also a wholly-owned subsidiary of St. James's Place Wealth Management Group plc. The Company has agreed to pass a share of the annual management charge ('AMC') collected from its range of unit trusts to SJPIA as remuneration for the client administration services provided by SJPIA.

Post-RDR, there has been a shift in the structure of income and expenses: a growing element of cash receipts that were previously part of the Company's AMC income now represent an initial charge collected by the Company on behalf of St. James's Place Wealth Management plc ('SJPWM'), the distribution company for the products sold. Similarly, the fund related commission ('FRC') has been replaced by ongoing advice fees which are not an expense of the Company but paid by SJPWM out of the ongoing advice charge ('OAC'). The Company's growth in turnover through increased funds under management has been offset by the relative increase in the proportion of OAC within the AMC that it collects. The FRC expense of the Company is broadly flat, because SJPWM is liable to pay the fund-related fees on post-RDR business. Similarly, the element of Cost of Sales in respect of initial commission also continues to fall, as we would expect.

There is a corporate overdrawn position at 31 December 2015 due to an IFDS systems error that caused the movement of funds ahead of the settlement cycle, which has reduced the trade payables accordingly. Trade payables typically represent creation payments due to State Street (the custodian) and trade receivables typically represent sales proceeds due from State Street in respect of unit-linked deals in UT funds, and the two will net off. In 2015, we now see that for trade receivables in respect of SJP Nominees / SJPIA, both the unit-linked funds and SJPIA pay on settlement date; previously, pre-platform, the Company would receive retail sales cash on T0 rather than T3. We would therefore expect to see a direct correlation between the trade payables and trade receivables, and rising balances in-line with growth in new business.

Future Developments

Following the transfer of the administration of its range of unit trusts to SJPIA, the initial charge and front-end fee income and the resulting profit arising from sales in its range of unit trusts previously reported within turnover will be reflected in the accounts of SJPIA. The Company will continue to derive the majority of its income from the annual fees that it receives from the management of its range of unit trusts.

The Company is committed to ensuring that its investment proposition remains relevant and will continue to develop the range of funds available to clients and launch new unit trusts as appropriate. The Directors do not anticipate any developments during 2016.

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

STRATEGIC REPORT (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Company operates within the St. James's Place Group 'Risk Management Framework' as described in the 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, including financial risk management. The principal risks and uncertainties facing the St. James's Place Group are set out in the St. James's Place plc Annual Report and Accounts.

The principal risks and uncertainty facing the Company is that of market risk, whereby a reduction in the market value of the unit trusts under the Company's administration would affect the service charge that the Company receives for the administration service that it provides to the St. James's Place Group.

FINANCIAL KEY PERFORMANCE INDICATORS

The profit for the financial year, after taxation, amounted to £53.4m (2014 - £48.1m).

During the year, the net fee income earned from funds under management increased by 15.1% from £154.0m million to £177.2m.

Funds under management as at 31 December 2015 were £50.0bn (2014 - £45.0bn).

GOING CONCERN

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

This report was approved by the Board of Directors on 24 February 2016 and signed on its behalf.



A M Croft
Director

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors present their report and the audited financial statements for the year ended 31 December 2015.

PRINCIPAL ACTIVITY

The Company acts as a unit trust manager.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £53.4m (2014 - £48.1m).

Dividends totaling £24m (2014 - £42m) were paid during the year. The Directors do not recommend the payment of a final dividend (2014 - £NIL).

DIRECTORS

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

D C Bellamy
A M Croft
I S Gascoigne
D J Lamb

EMPLOYEES

The Company has no employees (2014 - NIL).

DIRECTORS' INDEMNITY AND INSURANCE

St. James's Place plc ("SJP"), the ultimate parent company, has taken out insurance covering Directors and officers against liabilities they may incur in their capacity as Directors or officers of SJP or its subsidiaries. All members of the Board of SJP and other senior employees who act as Directors of subsidiary companies are each granted indemnities whilst acting in their capacity as Directors or officers to the extent permitted by law. These indemnities are uncapped in amount and protect recipients from certain losses and liabilities that they may incur to third parties in connection with the furtherance of their duties as Directors or officers of SJP or its subsidiary companies. Copies of the indemnities are available to shareholders upon request. This is a qualifying third party indemnity provision and was in force during the financial year and at the date of approval of the financial statements.

MATTERS COVERED IN THE STRATEGIC REPORT

Future developments and financial risk management are both referred to in the Strategic Report set out on pages 1 to 2 of the financial statements.

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 that Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that 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.

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015**

INDEPENDENT AUDITORS

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the Board of Directors on 24 February 2016 and signed on its behalf.

A handwritten signature in black ink, consisting of a capital 'A' followed by a stylized, cursive 'M' and 'Croft'.

A M Croft
Director

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2015

The Directors are responsible for preparing the Strategic Report, 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 prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). Under company law, the Directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. 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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

Report on the financial statements

Our opinion

In our opinion, St. James's Place Unit Trust Group Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the Statement of Financial Position as at 31 December 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'.

In applying the financial reporting framework, the Directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of Directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. JAMES'S
PLACE UNIT TRUST GROUP LIMITED**

Responsibilities for the financial statements and the audit

Our responsibilities and those of the Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

What an audit of financial statements involves

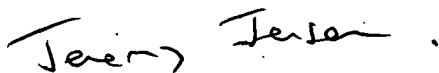
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the Directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the Directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Jeremy Jensen (Senior statutory auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

24 February 2016

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Note	2015 £000	2014 £000
Turnover	2	188,596	170,054
Cost of sales		(32,087)	(35,918)
GROSS PROFIT		156,509	134,136
Administrative expenses		(89,811)	(73,291)
OPERATING PROFIT		66,698	60,845
Income from investments		7	3
Interest receivable and similar income		290	356
Interest payable and similar charges		(81)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		66,914	61,204
Tax on profit on ordinary activities	5	(13,519)	(13,148)
PROFIT FOR THE FINANCIAL YEAR		53,395	48,056
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		53,395	48,056

All amounts relate to continuing operations.

There are no material differences between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

The notes on pages 11 to 19 form part of these financial statements.

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED
REGISTERED NUMBER:00947644

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2015

	Note	2015 £000	2014 £000
CURRENT ASSETS			
RECEIVABLES: Amounts falling due within one year	6	186,985	114,780
Current asset investments	7	50,275	65,465
Cash and cash equivalents		18,050	18,509
		<u>255,310</u>	<u>198,754</u>
PAYABLES: Amounts falling due within one year	8	(205,058)	(177,897)
		<u>50,252</u>	<u>20,857</u>
NET CURRENT ASSETS		<u>50,252</u>	<u>20,857</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>50,252</u>	<u>20,857</u>
NET ASSETS		<u>50,252</u>	<u>20,857</u>
EQUITY			
Share capital	9	2,000	2,000
Retained earnings		48,252	18,857
TOTAL SHAREHOLDERS' FUNDS		<u>50,252</u>	<u>20,857</u>

The financial statements were approved by the Board of Directors on 24 February 2016. and signed on its behalf.



A M Croft
Director

The notes on pages 11 to 19 form part of these financial statements.

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2015**

	Share capital £000	Retained earnings £000	Total £000
At 1 January 2015	2,000	18,857	20,857
Comprehensive income for the year			
Profit for the year	-	53,395	53,395
Contributions by and distributions to owners			
Dividends: Equity capital	-	(24,000)	(24,000)
Total contributions by and distributions to owners	-	(24,000)	(24,000)
At 31 December 2015	2,000	48,252	50,252

**STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2014**

	Share capital £000	Retained earnings £000	Total £000
At 1 January 2014	2,000	12,801	14,801
Comprehensive income for the year			
Profit for the year	-	48,056	48,056
Contributions by and distributions to owners			
Dividends: Equity capital	-	(42,000)	(42,000)
Total contributions by and distributions to owners	-	(42,000)	(42,000)
At 31 December 2014	2,000	18,857	20,857

The notes on pages 11 to 19 form part of these financial statements.

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1. ACCOUNTING POLICIES

1.1 GENERAL INFORMATION

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

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

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

This is the first year that the Company has presented its results under FRS 102. The last financial statements prepared under the previous UK GAAP were for the year ended 31 December 2014. The date of transition to FRS 102 was 1 January 2015.

Information on the impact of first-time adoption of FRS 102 is given in note 12.

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. No significant accounting judgements have been made.

First-time application of FRS 100 and FRS 102

In the current year, the Company has adopted FRS 100 and FRS 102. In previous years, the financial statements were prepared in accordance with applicable UK accounting standards.

This change in the basis of preparation has not materially altered the recognition and measurement requirements previously applied in accordance with UK GAAP. Consequently, the principal accounting policies are unchanged from the prior year. The change in basis of preparation has enabled the Company to take advantage of all of the available disclosure exemptions permitted by FRS 102 in the financial statements, the most significant of which are summarised in note 1.3. There have been no other material amendments to the disclosure requirements previously applied in accordance with UK GAAP.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.3 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- 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 2015 and these financial statements may be obtained from the secretary at St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP.

1.4 TURNOVER

Turnover represents the dealing profit derived from the front-end charge levied at the point of sale of units in the Company's range of unit trusts and the annual fees receivable by the Company from the management of these unit trusts.

Management fees are calculated daily based on the level of funds under management on each working day and are recognised on an accruals basis.

1.5 COST OF SALES

Cost of sales represents initial and fund related expenses charged to the Statement of Comprehensive Income on an accruals basis.

1.6 ADMINISTRATIVE EXPENSES

Administrative expenses comprises advisory fees, regulatory fees and other third-party expenses. These expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

1.7 INVESTMENT INCOME

Income from investments is included in the Statement of Comprehensive Income on an accruals basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.8 CURRENT ASSET INVESTMENTS

Units are held as box positions by the Company to ensure that the funds are operated in an efficient manner and are valued at the lower of cost and net realisable value. Whilst the units held in the box belong to the Company, it does not seek to profit from these units.

Short-term deposits represents cash invested in unlisted Money Market Funds.

1.9 FINANCIAL INSTRUMENTS

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

Financial assets

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

Loans and receivables

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

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

Financial liabilities

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

At amortised cost

Financial liabilities at amortised cost including bank borrowings 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

1. ACCOUNTING POLICIES (continued)

1.10 TAXATION

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, where transactions or events that result in an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred at the Statement of Financial Position date.

A net deferred tax asset is deemed recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date. Deferred tax is measured on an un-discounted basis.

1.11 RECEIVABLES

Short-term receivables are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.12 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.

1.13 PAYABLES

Payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

2. TURNOVER

The whole of the turnover is attributable to the management of Unit Trusts.

All turnover arose within the United Kingdom.

FEES RECEIVABLE

	2015 £000	2014 £000
Dealing profit and retained initial advice charge	11,393	16,035
Net management fee income	177,203	154,019
	<u>188,596</u>	<u>170,054</u>

3. OPERATING PROFIT

The audit fee of £30,000 (2014 - £25,000) was paid on behalf of the Company by another Group company, St. James's Place Management Services Limited. Amounts receivable by the Company's auditors and their associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of St. James's Place plc.

4. DIRECTORS' REMUNERATION

	2015 £000	2014 £000
Aggregate emoluments	262	389
Bonuses	367	558
Pension contributions	52	78
Other benefits	34	47
Total	<u>715</u>	<u>1,072</u>

Pension contributions represent those made to defined contribution pension schemes. No amounts were prepaid or outstanding at the year-end in respect of defined contribution schemes (2014 - £NIL).

The total emoluments of the highest paid Director in the year were £267,674 (2014 - £437,634), which included pension contributions paid on their behalf of £19,680 (2014 - £31,828). The number of options the highest paid Director exercised over the shares in SJP plc was 539,998 (2014 - NIL), and the number of shares receivable by them in respect of qualifying service was 137,532 (2014 - 143,706).

The number of Directors to whom retirement benefits are accruing is 4 (2014 - 4). Retirement benefits are accruing in company money purchase schemes for all 4 (2014 - 4) Directors at the year-end.

The number of Directors who exercised options over the shares in SJP plc during the year is 4 (2014 - NIL). The number of Directors in respect of whose qualifying services shares were receivable under long-term incentive schemes is 4 (2014 - 4).

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £000	2014 £000
Corporation tax		
Current tax on profits for the year	13,526	13,149
Adjustments in respect of prior years	(7)	(1)
Total current tax	13,519	13,148

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%). The differences are explained below:

	2015 £000	2014 £000
Profit on ordinary activities before taxation	66,914	61,204
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%)	13,550	13,159
Effects of:		
Adjustments to tax charge in respect of prior years	(7)	(1)
Non-taxable income	(2)	(1)
Transfer pricing adjustments	(22)	(9)
Total tax charge for the year	13,519	13,148

Factors that may affect future tax charge

The standard corporation tax rate will fall to 19% from April 2017, and then reduce further to 18% from April 2020.

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015**

6. RECEIVABLES

	2015	2014
	£000	£000
Amounts falling due within one year		
Trade receivables	156,019	113,336
Other receivables	11,581	19
Prepayments and accrued income	19,385	1,425
	<u>186,985</u>	<u>114,780</u>

7. CURRENT ASSET INVESTMENTS

	2015	2014
	£000	£000
Stock of units	959	879
Short term deposits	49,316	64,586
	<u>50,275</u>	<u>65,465</u>

The market value of listed investments at 31 December 2015 was £NIL (2014 - £NIL).

8. PAYABLES: Amounts falling due within one year

	2015	2014
	£000	£000
Bank overdraft	15,003	-
Trade payables	146,616	130,339
Amounts owed to Group undertakings	8,152	13,089
Corporation tax	13,526	13,149
Other payables	18,787	18,085
Accruals and deferred income	2,974	3,235
	<u>205,058</u>	<u>177,897</u>

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

9. SHARE CAPITAL

	2015	2014
	£000	£000
Allotted, called up and fully paid		
2,000,000 (2014 - 2,000,000) ordinary shares of £1 each	<u>2,000</u>	<u>2,000</u>

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

10. RELATED PARTY TRANSACTIONS

The Company's related parties include key management personnel, the unit trusts that it manages and companies within the St. James's Place Group.

Transactions with key management personnel are exempt from disclosure.

The Unit trusts

During the year, the Company entered into the following transactions with the unit trusts that it manages:

	2015 £000	2014 £000
Net annual management fees	177,202	154,020
Creation of units	8,488,481	7,735,886
Liquidation of units	3,587,655	2,385,676

At the year-end, the Company held a stock of £959,000 (2014 - £879,000) of units in the Unit Trusts that it manages.

Other related parties

Within a related Group company, commission and advice fees of £1,311,190 (2014 - £1,221,000) were paid, under normal commercial terms, to St. James's Place Partners who were related parties by virtue of being connected persons with key management personnel. The outstanding amount payable at 31 December 2015 was £88,702 (2014 - £123,000).

In addition, outstanding at the year-end were Partner loans of £449,934 (2014 - £420,000), due from St. James's Place Partners who were related parties by virtue of being connected persons with key management personnel. During the year, £88,702 (2014 - £NIL) was advanced and £74,696 (2014 - £90,000) was repaid by Partners who were related parties. St. James's Place Partnership loans are interest-bearing (linked to Bank of England base rate plus a margin), repayable on demand and secured against the future renewal income streams of that Partner.

The total value of St. James's Place funds under management held by related parties of the Company as at 31 December 2015 was £18,617,339 (2014 - £14,498,000).

ST. JAMES'S PLACE UNIT TRUST GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

RELATED PARTY TRANSACTIONS (continued)

There were no transactions with companies within the St. James's Place Group for which disclosures is required. At 31 December, the following amounts were outstanding:

	2015 £000	2014 £000
Intra-Group payables		
St. James's Place Wealth Management plc	1,877	2,767
St. James's Place Management Services Limited	2,788	10,322
St. James's Place Investment Administration Ltd	3,474	-
St. James's Place (Hong Kong) Ltd	13	-
	<u>8,152</u>	<u>13,089</u>

11. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

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

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

Copies of the consolidated financial statements of St. James's Place plc may be obtained from the Company Secretary 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.

12. FIRST-TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.