

St
James's
Place

Invaluable advice

Annual Report and Accounts 2024



In 2024 we launched a national brand advertising campaign on the value that trusted financial advice can have in shaping the course of people's lives.

[→ Find out more about our campaign](#)



There's advice that can change your day. Then there's advice that can change your life. And the lives of those you love. The kind of advice that only ever comes from people who have your best interests at heart, who want to see you happy. Like your dad. Your sister. Your best friend since primary school. And us.

That's invaluable advice.

What we do

We're the UK's leading provider of advice-led wealth management. We provide over one million clients with financial advice, long-term investment products and investment management as part of a single service.

Why we are here

Our purpose is to empower clients with invaluable advice to realise bolder ambitions. Our client focus and collective, unwavering belief in the value of advice is what drives everyone in the SJP community. We want to be known as the home of invaluable advice.

[→ Our Business model on page 07](#)

How we deliver

We deliver invaluable advice to clients through our Partnership of 4,920 financial advisers, the largest network in the UK. They build long-term, trusted relationships with clients, helping them to navigate through every step in their life journey.

[→ Our strategy on page 14](#)

About this report

This Annual Report and Accounts provides information on our operating and financial performance for 2024, and provides detail on our strategy and corporate governance.

Throughout this report you will find indicators to additional content, data and insights, denoted by these icons:

[→ Additional content in this report](#)

[→ Additional content from external sources](#)

Reporting suite

Our wider reporting suite provides additional information and disclosures, including our sustainability report. These are available online in the shareholders section of our website.

[→ Our reports, presentations and webcasts](#)

Invaluable advice...

Strategic report

03

Chair's report	04
Market overview	05
Market trends and opportunities	06
Business model	07
Our equity story	11
Chief Executive Officer's report	12
Chief Financial Officer's report	15
Financial review	17
Risk and control management	30
Our responsible business	39
Non-financial and sustainability information statement	51
Approval of the strategic report	52



Governance

53

Corporate governance report	54
Board of Directors	55
Section 172(1) statement	58
The role of the Board and its responsibilities	64
Board composition, succession and evaluation	66
Report of the Group Nomination and Governance Committee	72
Report of the Group Audit Committee	76
Report of the Group Risk Committee	85
Report of the Group Remuneration Committee	91
Directors' report	127
Statement of Directors' responsibilities	130

Financial statements

131

Independent Auditors' report to the members of St. James's Place plc	132
Consolidated financial statements prepared under International Financial Reporting Standards as adopted by the United Kingdom	140
Notes to the consolidated financial statements under International Financial Reporting Standards	144
Parent Company financial statements under Financial Reporting Standard 101	200



Other information

206

Shareholder information	207
How to contact us and our advisers	208
Aligning our progress with recognised frameworks	209
Full emissions disclosure	213
Glossary of alternative performance measures	215
Glossary of terms	218

...for everyone.

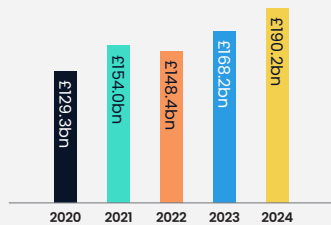
Highlights of the year

Our business performance in 2024 has been strong from both an operational and a financial perspective. This is testament to the strength of the relationships our advisers have with clients, the invaluable advice they provide, and the long-term nature of our client proposition.

£190.2bn

Funds under management

Up 13% from £168.2 billion at 31 December 2023



94.5%

Client FUM retention rate

2023: 95.3%

£447.2m

Underlying cash result¹

Up 14% from £392.4 million in 2023

1 million+

Number of clients

2023: 958,000

2024

Saw the launch of our first ever national brand campaign, our Real Life Advice series and our client stories. These are featured on the divider pages of this Annual Report and Accounts.

£398.4m

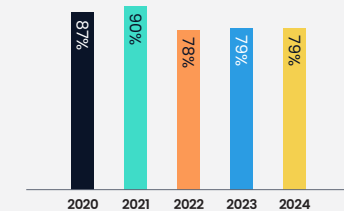
IFRS profit after tax

2023: £(9.9)m loss

79%

Client advocacy²

2023: 79%



£18.4bn

Gross inflows

Up 20% from £15.4 billion in 2023

£4.3bn

Net inflows

Down 18% from £5.1 billion in 2023

10.5%

Investment return, net of all charges, as a percentage of opening FUM

2023: 9.9%



FTSE4Good

Overall percentile rank: 88%



ESG risk rating: Low



MSCI ESG RATINGS AAA

CCC B BB BBB A AA AAA

93%

Core UK employee retention rate

2023: 94%

¹ The Underlying cash result is an alternative performance measure (APM). The glossary of alternative performance measures defines this APM and explains why it is useful. The Underlying cash result is reconciled to International Financial Reporting Standards (IFRS) in the financial review.

² Client survey results from 61,206 responses in early 2024. See our responsible business section for further information on the client survey.

Strategic report

Chair's report	04
Market overview	05
Market trends and opportunities	06
Business model	07
Our equity story	11
Chief Executive Officer's report	12
Chief Financial Officer's report	15
Financial review	17
Risk and control management	30
Our responsible business	39
Non-financial and sustainability information statement	51
Approval of the strategic report	52



Invaluable advice that enabled Daniel to start his journey

For 27-year-old Daniel Beddoes, life is about finding balance between enjoying his time now and giving himself options for the future. With the support of his financial adviser, he bought his first home in Ramsgate, Kent, in 2022 – and is hoping to have the chance to retire early.

[→ Watch and read Daniel's and other stories](#)

65%

Of people say that **taking financial advice** has improved their quality of life.

[→ Find out more in our Real Life Advice Report!](#)

¹ The Real Life Advice Report, commissioned by St. James's Place and carried out by Opinium, surveyed just under 12,000 UK adults nationwide in two polls between May and August 2024. Quantitative data referenced is sourced from the first poll which had a total of 7,995 respondents. Quotas and post-weighting were applied to the sample to make the data set representative of the UK adult population.

Setting the foundations for future growth



◆
***"Our purpose –
 to empower clients
 with invaluable
 advice to realise
 bolder ambitions –
 puts clients at the
 heart of all we do."***
 ◆

Paul Manduca
Chair

2024 has been a year of change globally and for St. James's Place. Elections in several democratic countries have led to changes in governments, and uncertainty both before and after the events.

Change at St. James's Place has included the strengthening of the Executive team, the historic ongoing service evidence review, making progress with the implementation of our simple, comparable charging structure and the commencement of a cost and efficiency programme. These projects are significant in terms of scale and complexity and the Board has closely monitored the good progress made in 2024. Notwithstanding the scale of change, which the Chief Executive Officer covers in his report, the business has performed well during the year. This demonstrates the strength of our proposition and the requirement for financial advice.

The Board and governance

As I explain in more detail in the Report of the Group Nomination and Governance Committee, succession planning remains an important focus for the Board and in 2024, we have seen the appointment of a new Senior Independent Director in Simon Fraser and a new Chief Financial Officer in Caroline Waddington. Both have been welcome additions to the Board, bringing with them a depth of experience and diversity of thought. Caroline was appointed following Craig Gentle's decision to retire. Craig had been with St. James's Place since 2016 and served as Chief Financial Officer since 1 January 2018. On behalf of the Board I would like to thank Craig for his contribution, in particular his careful stewardship of the Group's finances, whilst also wishing him the best for the future.

Emma Griffin and Lesley-Ann Nash have decided to step down from the Board following the Annual General Meeting to pursue other opportunities and I would like to express the Board's gratitude for their contributions during their time on the Board. I am delighted to welcome Rooney Anand to the Board, following his appointment as a Non-executive Director on 1 January 2025.

Succession planning is well underway and will take account of the impact of the departure of Emma and Lesley-Ann on the balance of skills, experience and diversity on the Board. Further detail on the work of the Group Nomination and Governance Committee can be found in its report later in this Annual Report and Accounts.

The Board's priorities and our strategy

The Board believes that St. James's Place has a significant opportunity in the UK market given the current lack of advice available to many potential clients. We will only maximise that opportunity if we serve our current clients well and position the business to be attractive to these potential new clients. The business review we conducted during the year therefore focused on improving our proposition in terms of service, technology, investment performance, culture and good governance. Client outcomes are the focus of all we do and in this regard the Chief Executive Officer and his much-strengthened Executive team have been making good progress. The Board believes all stakeholders will benefit from these changes.

In redefining our purpose and refreshing our strategy, the Board has had an opportunity to reflect on how our culture aligns with our vision of the future. Recognising the importance of tone from the top, the Board has been pleased to see how changes to the Executive team have positively reinforced the values expected across the wider workforce.

The Board continues to assess and monitor culture both through the formal reporting it receives from management and via its broader engagement with the workforce and other stakeholders. Details on this are set out in the corporate governance report. Where we identify areas of concern, the Board engages with management to ensure corrective action is taken.

Shareholder returns

As announced in February 2024, the Board expects that annual shareholder returns will be set at 50% of the full year Underlying cash result for 2024, 2025 and 2026. This will comprise 18.00 pence per share in annual dividends declared with the balance returned through share buy-backs. Shareholder returns proposed by the Board for 2024 are in line with this guidance. Full details can be found in the Chief Financial Officer's report.

Concluding remarks

I would like to express my thanks to my Board colleagues and management for their support and hard work during 2024, and commend employees and our Partner businesses for the strong performance achieved in a challenging year. I have provided a high-level overview of some of the key areas of the Board's activity in 2024 and would encourage you to read the corporate governance report, which provides more detail. I look forward to welcoming shareholders to this year's Annual General Meeting, which will be held on 13 May 2025.

Paul Manduca
Chair

26 February 2025

Demand for advice is increasing...

◆

“As a nation, it is vital that we encourage more people to think and talk about money, how to budget, putting a financial plan in place and building wealth early if we are to secure a better future whatever our circumstances.”

Real Life Advice report 2024

◆

The UK wealth market

A compelling market opportunity

UK individuals today have around £3.3 trillion in liquid investable assets,¹ expected to grow at around 7% per annum compound to 2030.¹ Growth is driven by a combination of factors including asset appreciation and growing provision for retirement, and is expected to be most rapid at the upper end of the market.

The UK wealth management market is served by a range of different types of providers, from banks to pension providers to direct-to-consumer platforms. We operate in the £2.1 trillion² fully advised market where clients want and need the support of a trusted financial adviser. While our marketplace has experienced significant change in the regulatory landscape, there continues to be strong support amongst politicians, policymakers and regulators for a healthy UK financial advice industry.

We expect demand for face-to-face financial advice to only get stronger over time because there are a number of systemic factors driving the need for advice, as set out on the right-hand side.

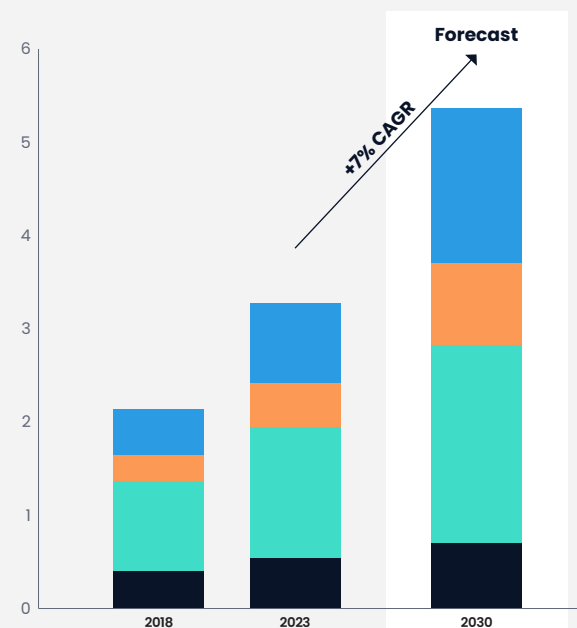
Financial advice creates real value by supporting financial wellbeing and helping turn individuals from savers to investors. This is critical given the potential for long-term outperformance of risk-based investing compared to cash and savings rates. More information about the value of advice can be found on page 08.

Ongoing drivers of demand



UK wealth management market

£'tn



£3.3tn

UK wealth management market is forecast to continue growing across all segments¹

- ◆ Retail (<£100k)
- ◆ Mass affluent (£100k-£2m)
- ◆ High-net-worth (HNW) (£2m-£10m)
- ◆ Ultra HNW (>£10m)

¹ GlobalData.

² Platforium, Lit Search.

...with the evolving landscape creating growth opportunities

Long-term structural growth drivers are driving need for advice...

The UK wealth landscape is evolving, with long-term structural drivers that are shaping the sector and creating opportunities for growth.

1

Growing advice and savings gaps

There is a widening advice gap in the UK where individuals would like to receive financial advice but cannot afford to pay for it. It is exacerbated by the shortfall in financial advisers and the rising demand for advice. There is also a growing savings gap, with many individuals' savings insufficient to support their retirement. These gaps provide opportunities to support individuals, converting them from savers to investors.

2

Population demographics

Increased life expectancies and the decline of defined benefit pension schemes means there is an increased reliance on defined contribution pensions and savings. There is also significant intergenerational wealth transfer in the years to come. Both of these factors require financial advice and household-level planning to ensure individuals have enough to meet their needs in retirement, and pass on wealth efficiently.

3

Technology innovation

Financial advisers are making greater use of digital solutions to improve client experiences and run more efficient businesses, for example using digital tools to help service their clients. Clients are also embracing technology and are increasingly expecting the companies they interact with to have simple, intuitive digital tools which provide easy access to information, and to use data to deliver personalised service.

4

Advice Guidance Boundary Review

The Government and the FCA are working on initiatives to close the advice and savings gaps through the Advice Guidance Boundary Review. They want people to be able to make informed decisions about their finances with confidence, through accessing the help, guidance and advice they need. Proposals including targeted support and simplified advice present opportunities to support individuals in different ways.

...creating compelling growth opportunities for SJP

How SJP can benefit

We're the leading provider of advice-led wealth management in the UK, with 4,920 advisers at 31 December 2024. We have a proven track record of attracting and retaining great financial advisers, as well as training those looking to build a new career in financial advice through our Academy programme.

Our advisers have an average age of 46, significantly below the industry average of 58.¹ Those training in our Academy have an average age of 37. As a result, our advisers can establish and build long-term relationships with clients, making us ideally placed to take advantage of the increasing demand for financial advice.

The market opportunity for financial advice



£0.2tn

St. James's Place

Within the £2.1 trillion³ fully advised landscape we are the most significant operator, with a c.9% market share. There are significant opportunities for us to grow further, with nearly four million mass affluent individuals open to advice but not yet receiving it,⁴ and individuals in the high-net-worth space feeling underserved by organisations moving up the wealth spectrum.

1 Professional Adviser.

2 GlobalData.

3 Platforum, Lit Search.

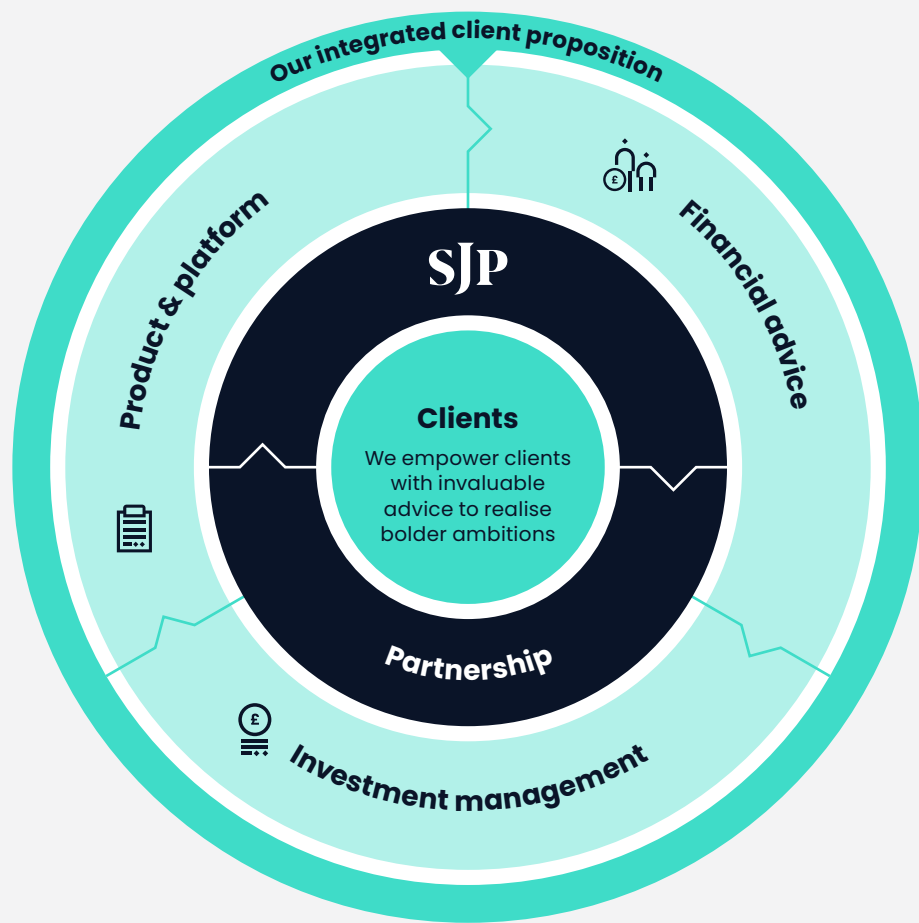
4 Royal London – Exploring the Advice Gap report (2021).

We have a distinct and successful business model

Our advice-led wealth management business...

...and refreshed focus...





...creates benefits for our stakeholders




Underpinned by a risk-aware culture, an effective control environment, rigorous governance and a responsible business mindset

We have defined a clear path forward so we can drive great outcomes for our clients and all our stakeholders.

Our refreshed strategy is underpinned by our redefined purpose – to empower clients with invaluable advice to realise bolder ambitions – which articulates what drives everyone in the SJP community. This strategy is based around four pillars that will strengthen our fundamentals and drive sustained growth.

-  **Brilliant Basics**
-  **Differentiated Client Proposition**
-  **Leading Adviser Offering**
-  **Performance Focused Organisation**

 [Read more about our refreshed strategy on page 14](#)

Our clients

An end-to-end, integrated proposition focused on great long-term outcomes

94.5%

FUM retention rate in 2024
(2023: 95.3%)

Our Partnership

Superior support to build great businesses over the long term

4,920

advisers
(2023: 4,834)

Our employees

Empowered and engaged colleagues who build responsible relationships

93%

retention rate for core UK employees
(2023: 94%)

Society

Create a positive and lasting impact on the world around us

£9.0m

raised in 2024 for the St. James's Place Charitable Foundation¹

Our shareholders

Long-term sustainable growth in funds under management and financial results

£447.2m

Underlying cash result in 2024
(2023: £392.4m)

¹ With Company matching.

We provide value to clients through financial advice...

We are strong advocates of the value of financial advice...

...and champion closing the advice and savings gaps

The value of financial advice

Our advisers build strong relationships with clients to understand their needs and ambitions, providing them with invaluable advice and building a holistic financial plan that keeps them on track for the future.

They help clients choose the right investment solutions, make the most of tax allowances, reassure them through unexpected life events, act as a steady hand through market volatility and so much more.

While there have been many studies to quantify the value of financial advice, the overall conclusion is that people who receive financial advice are on average better off than had they not sought advice. Recent research demonstrates that many people in the UK are not saving enough for retirement, and that retirees are running out of money. A recent report states that 38%¹ of people are on track for living standards in retirement that are below the minimum level set out by the Pensions and Lifetime Savings Association. This is up from 35% in 2023,¹ showing the problem is getting worse.

Financial advice supports financial wellbeing, peace of mind and can help turn people in the UK from savers to investors. This is critical given the long-term outperformance of risk-based investing compared to cash and savings rates.

As well as measurable financial benefits, advice also provides reassurance of knowing that your savings are working hard for you and your loved ones. Our recent Real Life Advice Report found that 84% of individuals who take occasional or ongoing financial advice said that it had significantly benefited their emotional and mental health.

How we are driving awareness of financial advice through leading the conversation in UK wealth management

Promoting the value of financial advice

Using our position as the UK's leading advice-led wealth manager, we promote what we and all our industry deliver: the value of advice. As more people understand the value of advice the more the advised wealth market will grow, which is positive for the industry and the UK economy as a whole. Starting with our Real Life Advice Report, we are conducting research to further explore and better illustrate the value of financial advice.

Working with Government and regulators

By leveraging our expertise and building trusted relationships with policy stakeholders, we give SJP a voice at the table on issues that matter to us and to society. This helps us to shape the public policy agenda, mitigate risks, and drive meaningful change to the benefit of wider society.

A top policy issue impacting the wealth management sector is addressing the advice gap. We have played an integral role with industry and policymakers on the Advice Guidance Boundary Review including as an active member of the industry working group and through bilateral engagement. We are responding to the consultations on the plans for targeted support.

38%

Of people are on track for retirement living standards below the minimum level¹

84%

Of people say that taking financial advice benefited them mentally or emotionally²

91%

Of people stated that financial advice they had received was helpful³

66%

Of people do not think they are preparing adequately for retirement¹

¹ Scottish Widows' Retirement Report, July 2024.

² Real Life Advice Report 2024.

³ The Lang Cat, The Advice Gap 2024.

...and our distinctive investment management approach

We have a distinct, scalable investment management approach (IMA)...

Our investment proposition

We've got a distinct, scalable investment management approach (IMA) that is focused on delivering good client outcomes. It offers a broad range of solutions to support clients whatever their circumstances and life stage, with advisers taking into account clients' goals, time horizons and risk appetite to plan an investment solution that suits them.

Our IMA has two key components: our market-leading asset allocation, and our Select-Monitor-Change process.

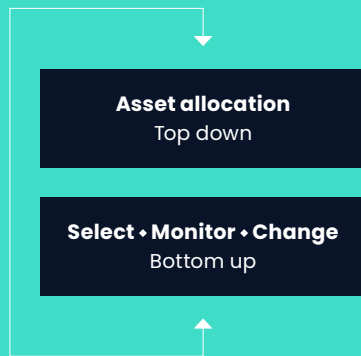
Our investment management approach

Asset allocation

Our asset allocation process leverages our unrivalled access to the leading asset managers from across the world, and makes use of our own investment team's expertise to manage our proposition from the top down. This approach has enabled us to build, maintain and develop the investment solutions that our clients need.

Select-Monitor-Change

'Select-Monitor-Change' is the way we build our IMA from the bottom up. We select world-class external managers to manage our funds, accessing diverse investment styles to ensure our funds are positioned to deliver strong investment performance.



A significant benefit of our approach is that we have segregated mandates with each of our fund managers. This means we can flexibly change fund managers when the need arises; we can reallocate mandates quickly without disrupting clients' investments.

...focused on delivering good client outcomes

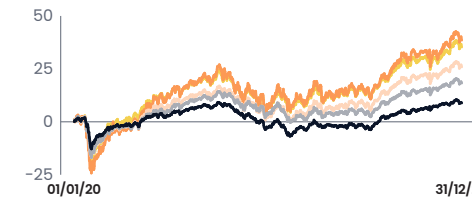
3 portfolio ranges

Our three portfolio ranges are designed to meet different client needs.



Growth portfolios
Growth portfolios that can be tailored

Growth portfolios – cumulative performance (Unit Trust/ISA) %



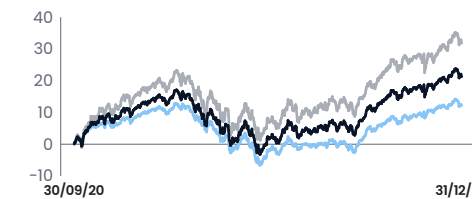
- ◆ Conservative
- ◆ Balanced
- ◆ Adventurous
- ◆ Managed Funds
- ◆ Strategic Growth

The fund allocations of the growth Unit Trust portfolios are not rebalanced automatically. Client portfolios will have different fund allocations and, therefore, individual investment experience will vary.



InRetirement
Supporting regular withdrawals

InRetirement range – cumulative performance (Unit Trust/ISA) %



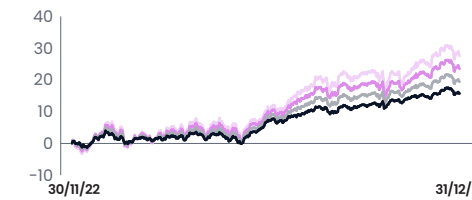
- ◆ Balance InRetirement
- ◆ Growth InRetirement
- ◆ Prudence InRetirement

Performance figures since launch have been used where funds are less than five years old.



Polaris
Designed to grow your investments

Polaris range – cumulative performance (Unit Trust/ISA) %



- ◆ Polaris 1
- ◆ Polaris 2
- ◆ Polaris 3
- ◆ Polaris 4

Performance figures since launch have been used where funds are less than five years old.

All figures are percentage growth on a bid-to-bid basis for accumulation units, income reinvested, in fund currency and net of ongoing charges, excluding initial charges.

Further information can be found in the fund factsheets and the prospectus, which can be provided upon request.

Please be aware that past performance is not indicative of future performance. The value of an investment may fall as well as rise. Returns on equities cannot be guaranteed. Equities do not provide the security of capital characteristic of a deposit with a bank or building society.

All data is quoted as at 31 December 2024.

We provide value to the Partnership

We provide superior adviser support and training so that we are the best place to build a financial advice business...

Adviser support

We provide the Partnership with practical and technical support to help them run effective and efficient businesses, enabling them to spend as much time as possible doing what they do best: helping clients grow and protect their wealth over time.

We offer developmental support through coaching, learning and development opportunities, technical services and business checking, equipping advisers with the knowledge and client-facing skills they need to provide high-quality advice.

In addition, we can support with a lot of the time-consuming tasks associated with running a business, such as marketing, insurance, technology and cyber security. This gives advisers more time to spend with clients.

Our superior support means we are proud to have adviser retention of 92% for 2024 (2023: 92%).

...and realise its value through our succession support scheme

Our business sale and purchase scheme

Our advisers can realise the value of their businesses through our succession support scheme, known as our business sale and purchase (BSP) scheme. This is one of the key features of our Partner proposition.

It allows growing Partner businesses to take on the businesses of retiring or downsizing Partners, facilitating adviser succession and providing the opportunity for Partners to realise value in the high-quality sustainable businesses that they have created. The scheme also enables continuity of service for clients, supporting good client outcomes.

Through the BSP scheme we match sellers with appropriate buyers, facilitate agreement of an appropriate valuation, and arrange financing for the purchase.



The Academy

There is a shortfall of high quality, qualified financial advisers in the UK, and so a key way we recruit for the Partnership is by training our own advisers through our award-winning SJP Academy. It is the largest and most comprehensive financial adviser training and development scheme in the UK marketplace: over the last five years we have trained around half of those advisers who have joined the industry.

The Academy programme blends cutting-edge technology with 'real-world' exposure and application. It is flexible, accepting applications from high-quality individuals who are completely new to the world of financial advice, through to those who may already hold a financial advice qualification but lack experience in advising clients.

St James's Place Financial Adviser Academy

37

Average age

Enables long-term client relationships; increases attractiveness to younger clients

Over 20%

Proportion of our 4,920 advisers who were trained by the Academy
Refreshing our Partnership

34%

Female advisers

Contributes to Partnership diversity, supporting diverse client base

Our equity story

We have a compelling equity story

We are already established as the UK's leading provider of advice-led wealth management. We have a number of great strengths in our business, but we recognise the need to evolve so that we can capitalise on the compelling market opportunity. We are positioning for further success.



Established market leader operating with scale advantage

- ◆ We provide invaluable financial advice, product and platform, and distinctive investment management in a single service for clients
- ◆ We support over one million mass affluent and high-net-worth clients through our Partnership of 4,920 advisers, the largest network in the UK



Positioned to benefit from structural market growth

- ◆ The £3.3 trillion UK wealth management market is forecast to continue to grow across all segments
- ◆ There is rising demand for advice due to a number of structural factors such as the growing savings gap and the complexity of pension and taxation rules, creating the perfect environment for our client-focused advice business



Well-placed for earnings growth as we deliver scale operating leverage

- ◆ Our FUM has delivered over 10% compound growth over the last 5, 10 and 15 years
- ◆ Our key profit drivers are charges we earn on FUM, hence growth in FUM is a strong indicator of future growth in earnings
- ◆ We have an ambition for mid-to-high single digit annual FUM growth to 2030



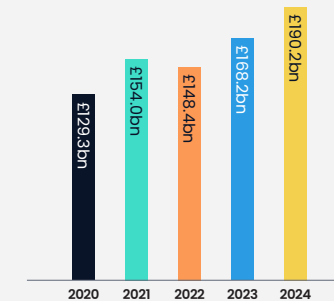
Highly cash generative, supporting growth and shareholder returns

- ◆ We have an ambition to double the 2023 Underlying post-tax cash result by 2030
- ◆ Visibility of future earnings is supported by gestation FUM, high levels of retention and our simple, comparable charging structure to be implemented in 2025. Refer to the financial review for further information on gestation FUM
- ◆ We expect to return 50% of the Underlying post-tax cash result to shareholders through dividends and share buy-backs for 2024, 2025 and 2026



Sustainable and effective asset-gathering model

- ◆ We look after £190.2 billion of funds under management (FUM) which we manage using our distinctive investment proposition
- ◆ We have a long-term track record of net inflows through the economic cycle
- ◆ The Partnership is fundamental to our business model, and so we work hard to be the best place to build a financial advice business in the UK, attracting the best advisers
- ◆ We also train our own advisers through the Academy



£190.2bn

Funds under management

Up 13% from £168.2 billion at 31 December 2023

We have a clear path forward...



◆
"Our 2024 performance reaffirms the strength and quality of our advice-led business model."

Mark FitzPatrick
 Chief Executive Officer

◆

I am pleased to report a strong year for the Group, once again demonstrating the power and quality of our advice-led model and the value that over one million clients place in the trusted relationships they enjoy with our advisers.

Operating performance

2024 presented a mixed environment for UK consumers. Positively, we saw headline inflation falling and Bank of England base rate cuts, increasing the capacity for long-term investment for some individuals. However, this was tempered by uncertainty in the UK, particularly in advance of the Autumn Budget. There was also uncertainty in the US in the run up to their elections, and subsequently in anticipation of the impact of the Trump administration. In addition, pressures on disposable income persisted, with mortgage costs rising for many households. Overall, this meant that consumer confidence remained fragile.

Against this backdrop, and in a year which in many ways was challenging for the business, we are very pleased with our business and financial performance. Gross inflows for 2024 were £18.4 billion, up 20% on 2023, with momentum building during the year. Retention of client funds under management (FUM) remained strong at 94.5%, resulting in net inflows of £4.3 billion, representing 2.6% of opening FUM.

Investment performance

Our investment management approach (IMA) continued to perform well for clients, with our portfolios delivering strong returns that compared favourably against peer groups, supporting great outcomes for our clients. Our net investment return for 2024 represented over 10% of opening FUM, and it's important to remember that is after all charges, including advice.

Our Polaris multi-asset fund range continued to be very successful. Polaris packages our most sophisticated investment thinking in a simple structure for clients looking to grow their wealth. It has been incredibly popular, and has quickly grown to be the largest retail multi-asset range in the UK less than two years after it was launched. It had over £60 billion invested across the four risk-rated solutions at 31 December 2024, and Polaris 3 is now the single largest fund in the country.

Strong investment returns in Polaris and our other funds, combined with sustained net inflows, drove our FUM to a record £190.2 billion at the end of the year, up 13% on 2023.

Financial performance

This operating and investment performance led to strong financial results. Our Underlying cash result of £447.2 million is up 14% on 2023, reflecting growth in FUM and the associated income. This increase is despite the significant short-term costs incurred during 2024 as we progress with the implementation of our simple, comparable charging structure, which I cover in more detail later on. Excluding these costs, the Underlying cash result increased by 27%.

This performance reaffirms the strength, quality and resilience of our advice-led business model.

Market opportunity

The market opportunity across all segments in UK wealth management is compelling, with UK individuals having £3.3 trillion in liquid investable assets, which is expected to grow at 7% per annum, compound, to 2030. In the advised space we expect demand to only get stronger over time, driven by systemic factors including the complexity of pension and taxation rules. Take the 2024 Autumn Budget as an example – bringing pensions into scope for inheritance tax purposes only adds to the complexity of estate planning, driving the need for financial advice.

The advice and savings gaps in the UK continue to grow. We are playing our part in closing them, using our industry leadership to champion financial advice in the media, with policymakers and regulators. As part of this we are proud to have increased our profile by running our first national brand campaign that focused on invaluable personal advice.

We have also showcased the wide-ranging benefits that advice can have through our client stories, some of which you can see throughout this Annual Report, and our Real Life Advice research series. Alongside this, we are working closely with the UK Government and the FCA on the opportunities presented within the Advice Guidance Boundary Review (AGBR).

 **Market opportunity and AGBR**
 on pages 05 and 06

 **Value of advice on page 08**

 **Client stories and Real Life Advice findings**
 on pages 03, 53, 131, and 206

...which positions us for further success...

Our redefined purpose and refreshed strategy

In July we set out the results of our comprehensive business review. Whilst our business continues to perform strongly throughout the cycle due to the high quality advice our advisers provide to clients, we are not complacent. We are evolving to position for further success, so we can capture the fantastic market opportunity and continue to drive great outcomes for clients, advisers and all stakeholders going forward.

Our strategic direction is underpinned by our redefined purpose: to empower clients with invaluable advice to realise bolder ambitions. This is what drives our 4,920 advisers across the Partnership, our employees and everyone else in the SJP community. This is why we get up in the morning. We want to be known as the home of invaluable advice.

Our refreshed strategy sees us leverage our great strengths, whilst making the changes necessary to drive sustained growth, and to capture economies of scale as we succeed. We are building a confident, high-performance culture that will see SJP thrive for the benefit of all stakeholders.

The key components of our strategy, which will take us to 2030, are set out overleaf. In the near-term, we are focused on strengthening our fundamentals by safely delivering our key programmes of work: implementing our simple, comparable charging structure, completing our historic ongoing service evidence review, and executing our cost and efficiency programme.

All of this requires a period of heavy lifting, after which we will have more capacity to focus on elevating and expanding our leading offering for clients and advisers as we look to drive sustained growth over the long term.

However, where we have capacity within the business, alongside these key programmes we are progressing with our other strategic initiatives. For example, we're developing and trialling AI tools to support advisers with administrative and technical queries, which will enhance efficiency. In addition, our investment team is exploring options around a dedicated passives proposition.

Progress with our key programmes Simple, comparable charges

We continue to make good progress with the implementation of our simple, comparable charging structure. We believe this will help to improve the perception of SJP and the value of our proposition, making us more attractive to potential clients and advisers.

We are well advanced with the IT infrastructure build necessary to deliver the programme, and we are working through an extensive testing plan. Alongside this, we are equipping our advisers with a comprehensive suite of tools and materials to ensure they understand the impact of the new charging structure, and can explain it to clients. We will shortly start to communicate the changes to clients directly.

Though we still have a lot of heavy lifting to do to complete the project over the next few months, we remain on track for it to be in place by the second half of 2025, and for delivery to be on budget.

Historic ongoing service evidence review

We have progressed our review of historic client servicing records. We have been building the infrastructure needed to collate and analyse these efficiently and accurately, and validating evidence to correctly identify servicing gaps across our client base.

We said from the outset that this is a very significant exercise that would take the best part of two to three years to complete. We anticipate making substantial headway during 2025.

We note the recent FCA statement on ongoing financial advice services and appreciate the guidance it provides. We are focused on completing our programme of work and will take into consideration the FCA's guidance as we move through that programme. We remain confident in the adequacy of our provision.

Cost and efficiency programme

As we set out in July, we are evolving how we operate to align to our refreshed strategy. To create the capacity to invest in our strategic initiatives, as well as improve the Cash result, we have commenced our cost and efficiency programme. Our ambition is to take around £100 million per annum before tax out of our addressable cost base by 2027, and we are on track to deliver this.

We are working to implement a range of operating efficiencies, including changing our organisational design to ensure we have the right people in the right places to support our strategic ambitions, simplifying our technology estate, and optimising our procurement.

Summary

2024 has been a successful year for the business, which is testament to the strength and quality of our advisers, employees and all those within the SJP community. They have remained fully committed to driving great client outcomes during a period of significant ongoing change in the business, and I thank them for their continued efforts.

As we look forward, the work we are doing to enhance our business by strengthening our core and building on our key strengths will ensure we continue to capture the compelling market opportunity in UK wealth management. The demand, and need, for financial advice is high, driven by systemic factors which means this isn't going away. We are passionate about helping more people to secure their financial futures through the power of advice, we are leveraging our scale advantage, and we are seeking to deliver better outcomes for all our stakeholders.

Mark FitzPatrick
Chief Executive Officer

26 February 2025

◆
"We have a clear path forward which positions us for further success. This will enable us to capitalise on the compelling market opportunity and drive growth."
◆

...through our redefined purpose and refreshed strategy.

Our purpose

To empower clients with invaluable advice to realise bolder ambitions

Our strategic focus areas

Brilliant Basics



Simplify and standardise our operations, delivering excellent client outcomes

- ◆ Drive standardisation and simplification of our processes
- ◆ Leverage data to provide enhanced analytics, supporting adviser productivity with client insights
- ◆ Drive awareness of financial advice through leading the conversation in UK wealth management

Differentiated Client Proposition



Enhance our client proposition, tailoring for different client segments

- ◆ Continue to broaden our investment shelf to provide clients with greater choice
- ◆ Develop our digital channels, improving functionality and delivering a more personalised experience
- ◆ Enhance the experience we provide for clients in different segments of our market, tailoring solutions to their needs

Leading Adviser Offering



Continue to be the best place to be a financial adviser in the UK

- ◆ Continue to refine our Academy programme, providing the best support to build a career in financial advice
- ◆ Continue to provide a market-leading succession proposition for advisers and clients by supporting the continual evolution of BSP
- ◆ Evolve our Partnership support model, honing our focus on helping quality, productive advisers to thrive

Performance Focused Organisation



Drive empowerment, accountability, and performance across our SJP community

- ◆ Embed high performance into our culture by driving clear accountability through a new leadership framework and values
- ◆ Maintain a disciplined approach to capital allocation, utilising our resources in line with our framework
- ◆ Optimise our cost base to deliver a more efficient operating model which is aligned to our strategy, and invest savings to drive future growth

How we will deliver

Strengthen 2024 to 2026 ▶ Enhance fundamentals for the future



Amplify 2027+ ▶ Elevate and expand our leading offering

Our ambitions

Leading adviser advocacy



High-performing, empowered & engaged colleagues



c.95% annual client retention



Mid-to-high single digit annual FUM growth



Doubling the Underlying cash result between 2023 and 2030



We are delivering strong financial results



◆
"Since joining the business I have been struck by the power of our business model, and how it translates into fundamentally predictable income."
 ◆

Caroline Waddington
Chief Financial Officer

I am delighted to present a strong set of financial results in my first report as Chief Financial Officer.

Since joining the business in September 2024, I have been struck by the power of our business model, and how it translates into fundamentally predictable income. Clients truly value the trusted, personal relationship they build with their adviser, as demonstrated by our high retention levels through what has been a challenging time for the business. The advice we provide really is invaluable in helping them navigate the ups, downs and complexities of their lives. Having been a client with the same adviser for 27 years, I know this first-hand.

Financial business model

I have also been struck by the simplicity of our financial business model. When clients choose to invest with us our stock of funds under management (FUM) grows. Our income is based on the value of FUM, and so attracting new clients to invest with us, retaining the investments made by existing clients, and positive investment performance are key to future growth in income and hence returns.

Our primary profit drivers are annual product management charges on FUM. Under our current charging structure, most of our investment bond and pension business is not subject to these charges for the first six years after an investment is made. We refer to FUM in this period as being in 'gestation'. Gestation FUM at any point in time rolls out into mature FUM and so becomes subject to annual product management charges over the following six years, which provides a high degree of visibility to our future income growth.

We will be simplifying our charging structure by the second half of 2025. This is an important change for the financial business model. From the point of implementation, we will benefit from all charges applying from the day that a new investment is made. We will not have to wait six years for new investment bond and pension business to contribute recurring income to the Cash result. In addition, we will continue to benefit from existing gestation FUM at the point of transition maturing to make a positive contribution. The dynamics of our new charging structure, together with the visibility of future income growth from maturing FUM in gestation, build a powerful picture of how our income can develop in the medium term – conscious, of course, of the expected dip in profitability in 2025 and 2026 as we transition between structures.

Combined with our focus on managing expenses, whether they are fixed in nature or vary with FUM or business levels, this supports our ambition to double the Underlying cash result over the period from 2023 to 2030.

Financial performance in 2024

As Mark has already set out in his Chief Executive Officer's report, our FUM grew by 13% over the year to a record £190.2 billion. This increase in FUM has driven an increase in the income we receive from it. Paired with continued discipline in managing our costs, this has enabled us to deliver IFRS profit after tax of £398.4 million (2023: loss of £9.9 million), and a post-tax Underlying cash result of £447.2 million, up 14% year-on-year.

This is despite the short-term costs incurred during 2024 as we progress with the implementation of our simple, comparable charging structure, which was £59.5 million for the year post-tax (2023: £7.2 million). If these costs are excluded, the Underlying cash result would be up 27% on 2023.

Simple, comparable charges

The implementation costs for 2024 were approximately £12 million post-tax lower than we originally guided to in October 2023. These costs have been deferred into 2025.

We expect the overall implementation costs for the project to be towards the upper end of our original guidance range of £140 million to £160 million pre-tax. It is important to note that this cost phasing change does not impact our planned implementation timetable, which remains by the second half of 2025.

Historic ongoing service evidence review

Mark has provided an update on this significant programme of work in his Chief Executive Officer's report. From a financial perspective there is no change in our estimate of the cost of the programme, and so we remain comfortable with our provision.

Cost and efficiency programme

A key area of focus during the year has been our cost and efficiency programme. We have an ambition to take around £100 million per annum before tax out of our addressable cost base by 2027. We'll do this by operating more effectively at scale, creating capacity to invest in our business to drive further growth, underpinning a growing Cash result over time.

We are on track to deliver the programme by 2027, and in line with the financial guidance provided in July 2024. For 2024 the cost and efficiency programme has had no material impact on our results as the costs to achieve the savings we have identified have, as expected, offset the savings achieved. We anticipate this will also be the case for 2025, as the benefits we realise, net of costs to achieve, are reinvested in the business to drive future growth.

Chief Financial Officer's report

Financial position and solvency

Our IFRS consolidated statement of financial position contains policyholder assets and liabilities. To understand the assets and liabilities that shareholders can benefit from, these policyholder balances, along with 'accounting' balances such as deferred income (DIR) and deferred acquisition costs (DAC), are removed in the Solvency II Net Assets Balance Sheet. This balance sheet is straightforward, and demonstrates we are in a strong financial position. It is analysed in section 2.2 of the financial review.

We take a prudent approach to managing the balance sheet and our capital requirements. Given the simplicity of our business model, we manage solvency by holding assets to match client unit-linked liabilities, and allow for a management solvency buffer (MSB). At 31 December 2024 we held surplus assets over the MSB of £892.2 million (31 December 2023: £603.5 million).

Capital allocation

I am fully committed to our capital allocation framework, which sets out our disciplined approach to allocating our capital resources:

1. We will **maintain a strong balance sheet**, ensuring the safety of client investments.
2. We will **invest to drive organic growth**, ensuring we have the necessary core capabilities in the business.
3. We will **deliver reliable annual shareholder returns**, which are in line with guidance.
4. We will **return excess capital** over and above what we need to invest in the business at attractive returns.

We see being deliberate and disciplined in how we manage capital allocation as critical to ensuring we have a well-invested business that drives returns and creates sustained value for shareholders.

Shareholder returns

As announced in February 2024, the Board expects that annual shareholder returns will be set at 50% of the full year Underlying cash result for 2024, 2025 and 2026. This will comprise 18.00 pence per share in annual dividends declared with the balance returned through share buy-backs. The Board intends to reassess its approach to shareholder distributions for 2027 and beyond at the appropriate time.

Following the payment of a 6.00 pence per share interim dividend and a £32.9 million share buy-back programme in September, the Board are declaring a 12.00 pence per share final dividend, subject to shareholder approval at the AGM, and a £92.6 million final share buy-back programme for 2024. This will bring the total shareholder returns to £223.6 million for the year, equivalent to 50% of the Underlying cash result.

Summary

We've had a successful year, which has translated into strong financial results. We have grown our Underlying cash result by 14% despite short-term cost headwinds as we implement our new charging structure. We have an attractive and highly visible earnings profile, a robust balance sheet, and a disciplined approach to capital allocation.

Caroline Waddington
Chief Financial Officer

26 February 2025

Summary financial information

	Page reference	Year ended 31 December 2024	Year ended 31 December 2023
FUM-based metrics			
Gross inflows (£'Billion)	17	18.4	15.4
Net inflows (£'Billion)	17	4.3	5.1
Total FUM (£'Billion)	17	190.2	168.2
Total FUM in gestation (£'Billion)	18	50.1	47.6
IFRS-based metrics			
IFRS profit/(loss) after tax (£'Million)	19	398.4	(9.9)
IFRS profit/(loss) before shareholder tax (£'Million)	19	535.9	(4.5)
IFRS basic earnings per share (EPS) (Pence)		73.0	(1.8)
IFRS diluted EPS (Pence)		72.6	(1.8)
Dividend per share (Pence)		18.00	23.83
Cash result-based metrics			
Controllable expenses (£'Million)	20	291.7	283.3
Underlying cash result (£'Million)	20	447.2	392.4
Cash result (£'Million)	20	447.2	68.7
Underlying cash result basic EPS (Pence)		82.0	71.7
Underlying cash result diluted EPS (Pence)		81.5	70.5
EEV-based metrics			
EEV net asset value per share (£)		16.25	14.11
Solvency-based metrics			
Management solvency buffer (£'Million)	29	548.4	529.5
Solvency ratio (Percentage)	189	193%	191%

A complete glossary of APMs is set out on pages 215 to 217.

The Cash result should not be confused with the IFRS consolidated statement of cash flows, which is prepared in accordance with IAS 7.

Financial review

This financial review provides analysis of the Group's financial position and performance.

It is split into the following sections:

Section 1 – Funds under management (FUM)

1.1 FUM analysis

1.2 Gestation

 page 17

Section 2 – Performance measurement

2.1 International Financial Reporting Standards (IFRS)

2.2 Cash result

2.3 European Embedded Value (EEV)

 page 19

Section 3 – Solvency

 page 29

Section 1 – Funds under management (FUM)

1.1 FUM analysis

During 2024 our advisers attracted £18.4 billion (2023: £15.4 billion) of new client investments and client retention rates remained strong at 94.5% (2023: 95.3%). As a result we generated £4.3 billion (2023: £5.1 billion) of net inflows, once again demonstrating the strength of our advice-led business model.

Our investment management approach has continued to work well for clients, with our portfolios delivering strong returns that compare favourably against peer groups. This, together with another year of net inflows, resulted in FUM increasing by 13% to a record £190.2 billion (2023: £168.2 billion). Growth in FUM provides our business with good visibility over future growth in income and the creation of sustainable value for shareholders over time.

The following table shows how FUM evolved during 2024 and 2023. Investment return is presented net of all charges.

	2024				2023
	Investment bond £'Billion	Pension £'Billion	UT/ISA and DFM £'Billion	Total £'Billion	Total £'Billion
Opening FUM	35.99	87.32	44.89	168.20	148.37
Gross inflows	2.42	12.06	3.93	18.41	15.39
Net investment return	3.37	10.03	4.28	17.68	14.71
Regular income withdrawals and maturities	(0.36)	(3.92)	–	(4.28)	(2.77)
Surrenders and part-surrenders	(2.24)	(3.51)	(4.05)	(9.80)	(7.50)
Closing FUM	39.18	101.98	49.05	190.21	168.20
Net flows	(0.18)	4.63	(0.12)	4.33	5.12
Implied surrender rate as a percentage of average FUM	6.0%	3.7%	8.6%	5.5%	4.7%

Included in the table above is:

- ◆ Rowan Dartington Group FUM of £3.49 billion at 31 December 2024 (31 December 2023: £3.43 billion), gross inflows of £0.24 billion for the year (2023: £0.36 billion) and outflows of £0.24 billion (2023: £0.18 billion).
- ◆ SJP Asia FUM of £1.90 billion at 31 December 2024 (31 December 2023: £1.72 billion), gross inflows of £0.26 billion for the year (2023: £0.21 billion) and outflows of £0.22 billion (2023: £0.15 billion).

Financial review

1.1 FUM analysis continued

The following table shows our sustained net inflows and the progression of FUM over the past six years.

Year	Opening FUM as at 1 January	Net inflows	Investment return	Closing FUM as at 31 December
	£'Billion	£'Billion	£'Billion	£'Billion
2024	168.2	4.3	17.7	190.2
2023	148.4	5.1	14.7	168.2
2022	154.0	9.8	(15.4)	148.4
2021	129.3	11.0	13.7	154.0
2020	117.0	8.2	4.1	129.3
2019	95.6	9.0	12.4	117.0

The following table provides a geographical and investment-type analysis of FUM at 31 December.

	31 December 2024		31 December 2023	
	£'Billion	Percentage of total	£'Billion	Percentage of total
North American equities	74.9	39%	57.4	34%
Fixed income securities	31.6	17%	27.1	16%
European equities	24.3	13%	23.6	14%
Asia and Pacific equities	24.0	13%	20.5	12%
UK equities	16.0	8%	16.0	10%
Alternative investments	6.2	3%	10.5	6%
Cash	6.9	4%	7.2	4%
Other	5.0	2%	4.1	3%
Property	1.3	1%	1.8	1%
Total	190.2	100%	168.2	100%

1.2 Gestation

As explained in our financial business model in the Chief Financial Officer's report, due to our current product structure for most investment bond and pension business, there is a significant amount of FUM in 'gestation'. This means it is not subject to annual product management charges, our key profit driver. FUM rolls out of gestation into 'mature' FUM six years after initial investment, at which point it becomes subject to annual product management charges for the first time.

Approximately 54% of gross inflows for 2024, after initial charges, moved into gestation FUM (2023: 54%).

The following table shows an analysis of FUM, after initial charges, split between mature FUM that is contributing net income to the Cash result and FUM in gestation which is not yet contributing. The value of both mature and gestation FUM is impacted by investment return as well as net inflows.

Position as at	Mature FUM contributing to the Cash result	Gestation FUM that will contribute to the Cash result in the future	Total FUM
	£'Billion	£'Billion	£'Billion
31 December 2024	140.1	50.1	190.2
31 December 2023	120.6	47.6	168.2
31 December 2022	102.9	45.5	148.4
31 December 2021	104.7	49.3	154.0
31 December 2020	85.9	43.4	129.3

We will be simplifying our charging structure by the second half of 2025. Under the revised charging structure, new business will no longer enter a period of gestation and the existing gestation FUM at the point of implementation will gradually mature. After this point there will be no further concept of gestation FUM. In the meantime, gestation FUM continues to be a material store of shareholder value that will make a significant contribution to the Cash result in the future.

The following table gives an indication, for illustrative purposes, of the way in which gestation FUM could mature and start to contribute to the Cash result over the next six years and beyond. Once it has all matured, it could contribute a further £289.1 million per annum to net income from FUM and hence the Underlying cash result, at no additional cost.

For simplicity the table assumes that FUM values remain unchanged, that there are no surrenders, and that business is written at the start of the year. Allowance has been made for the reduction in ongoing charges under our new charging structure. Actual emergence in the Cash result will reflect the varying business mix of the relevant cohort and business experience.

Year	Cumulative gestation FUM maturity profile	Gestation FUM future contribution to the post-tax Cash result
	£'Billion	£'Million
2025	6.5	45.2
2026	13.9	80.4
2027	22.3	128.8
2028	31.9	184.3
2029	40.8	235.8
2030	50.1	289.1

Section 2 – Performance measurement

In line with statutory reporting requirements, we report profits assessed on an IFRS basis. The presence of a significant life insurance company within the Group means that, although we are an advice-led wealth manager in substance with a simple business model, we apply IFRS accounting requirements for insurance companies. These requirements lead to financial statements which are more complex than those of a typical wealth manager and so our IFRS results may not provide the simplest presentation for users who are trying to understand our business.

Key examples of this include:

- ◆ Our IFRS consolidated statement of comprehensive income includes policyholder tax balances which we are required to recognise as part of our corporation tax arrangements. This means that our Group IFRS profit before tax includes amounts charged to clients to meet policyholder tax expenses, which are unrelated to the underlying performance of our business.
- ◆ Our IFRS consolidated statement of financial position includes policyholder liabilities and the corresponding assets held to match them, and so policyholder liabilities increase or decrease to match increases or decreases experienced on these assets. This means that shareholders are not exposed to any gains or losses on the £190.0 billion of policyholder assets and liabilities recognised in our IFRS consolidated statement of financial position, which represented over 97% of our IFRS total assets and liabilities at 31 December 2024.

We therefore present our financial performance and position on three different bases, using a range of alternative performance measures (APMs) to supplement our IFRS reporting. These APMs strip out policyholder balances, and remove items such as deferred acquisition costs (DAC) and deferred income (DIR) to reflect Solvency II recognition requirements and to better match the way in which cash emerges from the business. The three different bases, which are consistent with those presented last year, are:

- ◆ International Financial Reporting Standards (IFRS)
- ◆ Cash result
- ◆ European Embedded Value (EEV).

APMs are not defined by the relevant financial reporting framework (which for the Group is IFRS), but we use them to provide greater insight to the financial performance, financial position and cash flows of the Group and the way it is managed. The glossary of alternative performance measures (APMs) included within this Annual Report and Accounts defines each APM used in our financial review, explains why it is used and, if applicable, how the measure can be reconciled to the IFRS consolidated financial statements. It also sets out the rationale for any APM we have ceased to report during the year.

2.1 International Financial Reporting Standards (IFRS)

To address the challenge of policyholder tax being included in the IFRS results we focus on IFRS profit before shareholder tax, an APM, as our pre-tax metric.

This is a profit measure based on IFRS which aims to remove the impact of policyholder tax. The following table demonstrates the way in which IFRS profit before shareholder tax is presented in the consolidated statement of comprehensive income.

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
IFRS profit before tax	1,049.1	439.6
Policyholder tax	(513.2)	(444.1)
IFRS profit/(loss) before shareholder tax	535.9	(4.5)
Shareholder tax	(137.5)	(5.4)
IFRS profit/(loss) after tax	398.4	(9.9)

However, in both the current and prior year IFRS profit/(loss) before shareholder tax and IFRS profit/(loss) after tax have been reduced by another nuance of life insurance tax which we refer to as policyholder tax asymmetry. This is defined in the glossary within this Annual Report and Accounts.

External market conditions during the year drive the movement in the tax asymmetry balances. Net market gains during 2024 have resulted in a negative policyholder tax asymmetry impact of £38.9 million (2023: negative impact of £44.4 million).

Shareholder tax reflects the tax charge attributable to shareholders and is closely related to the performance of the business. However, it can vary year on year due to several factors: further detail is set out in Note 10 Income and deferred taxes.

Change in APMs

In previous years, in addition to IFRS profit before shareholder tax we also reported underlying profit as an APM in this section. This was calculated as IFRS profit before shareholder tax, adjusted for the impact of movements in DAC, DIR and the purchased value of in-force business (PVIF). We have retired underlying profit as a separate APM for 2024 as we look to simplify our reporting. The movement in DAC, DIR and PVIF is now presented as part of the reconciliation between IFRS profit and the Cash result.

Financial review

2.2 Cash result

The Cash result is used by the Board to assess and monitor the level of cash profit generated by the business. It is presented net of tax, and is based on IFRS with adjustments made to exclude policyholder balances and certain non-cash items, such as DAC, DIR, deferred tax and equity-settled share-based payment costs. The reconciliation to IFRS can be found on pages 22 and 23, and further details, including the full definition of the Cash result, can be found in the glossary of APMs. Although the Cash result should not be confused with the IAS 7 consolidated statement of cash flows, it provides a helpful supplementary view of the way in which cash is generated and emerges within the Group.

The following table shows an analysis of the Cash result using two different measures:

- ◆ **Underlying cash result**
This measure represents the regular emergence of cash from the business, excluding any items of a one-off nature and temporary timing differences.
- ◆ **Cash result**
This measure includes items of a one-off nature and temporary timing differences.

Consolidated Cash result (presented post-tax)

	Note	Year ended 31 December 2024			Year ended 31 December 2023
		In-force £'Million	New business £'Million	Total £'Million	Total £'Million
Net annual management fee	1	1,034.2	74.5	1,108.7	1,000.8
Reduction in fees in gestation period	1	(425.1)	–	(425.1)	(401.6)
Net income from FUM	1	609.1	74.5	683.6	599.2
Margin arising from new business	2	–	117.4	117.4	104.5
Controllable expenses	3	(22.2)	(269.5)	(291.7)	(283.3)
Asia – net investment	4	–	(10.2)	(10.2)	(19.4)
DFM – net investment	4	–	(2.4)	(2.4)	(6.4)
Regulatory fees and FSCS levy	5	(2.2)	(19.3)	(21.5)	(23.1)
Shareholder interest	6	66.0	–	66.0	61.8
Tax relief from capital losses		–	–	–	2.1
Charge structure implementation costs	7	–	(59.5)	(59.5)	(7.2)
Miscellaneous	8	(34.5)	–	(34.5)	(35.8)
Underlying cash result		616.2	(169.0)	447.2	392.4
Ongoing Service Evidence provision	9	–	–	–	(323.7)
Cash result		616.2	(169.0)	447.2	68.7

The Underlying cash result of £447.2 million for 2024 (2023: £392.4 million) is 14% higher than the prior year, driven by the increase in income received from growing levels of FUM. In 2023 the Cash result was significantly impacted by the establishment of the Ongoing Service Evidence provision, which meant the result of £68.7 million was substantially lower than the Underlying cash result. There have been no items recognised outside of the Underlying cash result for 2024, meaning the Cash result and the Underlying cash result are both £447.2 million.

Notes to the Cash result

1. Net income from FUM

The **net annual management fee** is the net manufacturing margin that the Group retains from FUM after payment of the associated costs: for example, advice fees paid to Partners, investment management fees paid to external fund managers and the policy servicing tariff paid to our third-party administration provider. Each product has standard fees, but they vary between products. Overall post-tax margin on FUM reflects business mix but also the different tax treatments, particularly life insurance tax on onshore investment bond business.

As explained in our financial business model in the Chief Financial Officer's report, our investment bond and pension business product structure means that these products do not contribute to net Cash result, after the margin arising from new business, during the first six years. This is known as the 'gestation period' and is reflected in the **reduction in fees in gestation period** line.

We focus our explanatory analysis on the **net income from FUM**, which is the net annual management fee after the reduction in fees in the gestation period. This is the Cash result income from FUM that has reached maturity. As with net annual management fees, the average rate can vary over time with business mix and tax.

For 2024, our **net income from FUM** was £683.6 million (2023: £599.2 million), an increase of 14%. This outcome is within our guided margin range of 0.54% to 0.56%, and reflects an increase in average mature FUM.

Our margin range is applicable to average mature FUM, excluding discretionary fund management (DFM) and Asia FUM, in line with prior guidance. It is this mature FUM that contributes to the net income from FUM figure and, at any given time, it comprises all unit trust and ISA business, as well as investment bond and pension business written more than six years ago.

Following the introduction of our new charging structure by the second half of 2025, our margin range will reduce to 0.43% to 0.45%. However, under this charging structure new investment bond and pension business will no longer enter a period of gestation. Once the remaining gestation FUM at the point of implementation has matured over a six-year period there will be no further gestation FUM, and so the margin will apply to all FUM.

Net income from Asia and DFM FUM is not included in this line, it is included in the Asia – net investment and DFM – net investment lines.

Financial review

2.2 Cash result continued

2. Margin arising from new business

This is the net positive Cash result impact of new business in the year, as initial charges levied on gross inflows exceed new-business-related expenses. The majority of these expenses vary with new business levels, such as the incremental third-party administration costs of setting up a new policy on our back-office systems, and payments to Partners for the initial advice provided to secure clients' investment. As a result, gross inflows are a key driver of this margin.

However, the **margin arising from new business** also contains some fixed expenses, and elements which do not vary exactly in line with gross inflows. Therefore, whilst the margin arising from new business tends to move directionally with the scale of gross inflows generated during the year, the relationship between the two is not linear.

3. Controllable expenses

Controllable expenses are a key metric for the business. They are comprised of expenses which do not vary with business volumes, including people, property and technology expenses, and the costs associated with running our Academy. Growth in controllable expenses has been contained to 5% on a pre-tax basis, in line with guidance. This is equivalent to 3% increase on a post-tax basis as presented in the Cash result, reflecting the corporation tax rate of 25% being applicable for the whole of 2024.

Going forward we will seek to contain growth in controllable expenses to 5% per annum, balancing disciplined expense management with the need to invest in the business for the future.

This is before the positive impact of our cost and efficiency programme as set out in July 2024, which will start to benefit the Cash result from 2027 onwards. Prior to 2027, the cost savings realised from the programme will be offset by the costs to achieve those savings, and reinvestment in the business to drive future growth.

4. Asia and DFM

These lines represent the net income from Asia and DFM FUM. They include the Asia and DFM expenses set out in the reconciliation on page 22 between expenses presented separately on the face of the Cash result before tax and IFRS expenses.

We have continued to invest in developing our presence in **Asia**, as well as in **discretionary fund management** via Rowan Dartington. Net investment in Asia has reduced, reflecting the restructuring undertaken during the prior year. Net investment in DFM has also reduced, due to continued focus on disciplined expense control.

5. Regulatory fees and FSCS levy

The costs of operating in a regulated sector include regulatory fees and the Financial Services Compensation Scheme (FSCS) levy. On a post-tax basis, these are as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
FSCS levy	9.1	10.0
Regulatory fees	12.4	13.1
Regulatory fees and FSCS levy	21.5	23.1

Our position as a market-leading provider of advice means we make a substantial contribution to supporting the FSCS, thereby providing protection for clients of other businesses in the sector that fail. The FSCS levy in 2024 and 2023 was below the level typically seen in recent years, as a result of prior years surpluses that had built up within the FSCS scheme. We anticipate a substantial increase in the levy for 2025.

6. Shareholder interest

This is the income accruing on investments and cash held for regulatory purposes together with the interest received on the surplus capital held by the Group. It is presented net of funding-related expenses, including interest paid on borrowings and securitisation costs.

7. Charge structure implementation costs

We announced in October 2023 that we would be implementing our simple, comparable charging structure by the second half of 2025. This will see us disaggregate our charges into their component parts, supporting clients by making it easier to compare charges for advice, investment management and other services, on a component-by-component basis.

We continue to make good progress with this complex project. The implementation costs for 2024 of £59.5 million post-tax were approximately £12 million lower than we had originally guided to in October 2023. These costs have been deferred into 2025. We expect the overall implementation costs for the project to be towards the upper end of our original guidance range of £140 million to £160 million pre-tax.

8. Miscellaneous

This category represents the net cash flow of the business not covered in any of the other categories. It includes Group contributions to the St. James's Place Charitable Foundation, movements in the fair value of renewal income assets and the remediation costs associated with client complaints.

9. Ongoing Service Evidence provision

The Ongoing Service Evidence provision was established in 2023 following the appointment of a skilled person and an assessment undertaken into the evidencing and delivery of historic ongoing servicing, reflecting the anticipated cost of refunding ongoing servicing charges, together with the interest, and the administrative costs associated with completing the work. For 2024 there is no change in our estimate of the cost of the programme, and so we remain comfortable with our provision. Consequently, there is no impact on the 2024 Cash result. More information can be found in Note 18 within the IFRS consolidated financial statements.

Financial review

2.2 Cash result continued**Reconciliation of Cash result expenses to IFRS expenses**

Whilst certain expenses are recognised in separate line items on the face of the Cash result, expenses which vary with business volumes, such as payments to Partners and third-party administration expenses, and expenses which relate to investment in specific areas of the business such as DFM, are netted from the relevant income lines rather than presented separately. In order to reconcile to the IFRS expenses presented on the face of the consolidated statement of comprehensive income, the expenses netted from income lines in the Cash result need to be added in, as do certain IFRS expenses which by definition are not included in the Cash result. In addition, all expenses need to be converted from post-tax, as they are presented in the Cash result, to pre-tax, as they are presented under IFRS.

Expenses presented on the face of the Cash result before and after tax are set out below.

	Year ended 31 December 2024			Year ended 31 December 2023		
	Before tax	Tax rate	After tax	Before tax	Tax rate	After tax
	£'Million	Percentage	£'Million	£'Million	Percentage	£'Million
Controllable expenses	388.9	25.0%	291.7	370.4	23.5%	283.3
Regulatory fees and FSCS levy	28.7	25.0%	21.5	30.2	23.5%	23.1
Charge structure implementation costs	79.3	25.0%	59.5	9.4	23.5%	7.2
Total expenses presented separately on the face of the Cash result	496.9		372.7	410.0		313.6

The total expenses presented separately on the face of the Cash result before tax then reconcile to IFRS expenses as set out below.

	Year ended 31 December 2024	Year ended 31 December 2023 ¹
	£'Million	£'Million
Total expenses presented separately on the face of the Cash result before tax	496.9	410.0
<i>Expenses which vary with business volumes</i>		
Other performance costs	171.0	147.4
Payments to Partners	1,134.8	1,013.2
Investment expenses	115.7	96.9
Third-party administration	172.1	151.8
Other	63.4	513.3
<i>Expenses relating to investment in specific areas of the business</i>		
Asia expenses	22.7	26.5
DFM expenses	27.4	33.3
Total expenses included in the Cash result	2,204.0	2,392.4
<i>Reconciling items to IFRS expenses</i>		
Amortisation of DAC and PVIF, net of additions	21.3	35.5
Equity-settled share-based payment expenses	11.2	5.4
Insurance contract expenses presented elsewhere ¹	(1.1)	(2.4)
Other ¹	1.3	2.4
Total IFRS Group expenses before tax	2,236.7	2,433.3

¹ The 2023 comparatives have been represented to better reflect the nature of the expenses.

Expenses which vary with business volumes

Other performance costs vary with the level of new business and the operating profit performance of the business.

Payments to Partners, investment expenses and **third-party administration costs** are met through charges to clients, and so any variation in them from changes in the volumes of new business or the level of the stock markets does not impact Group profitability significantly.

Each of these items is recognised within the most relevant line of the Cash result, which is determined based on the nature of the expense. In most cases, this is either the net annual management fee or margin arising from new business lines.

Other expenses include the operating costs of acquired financial adviser businesses, donations to the St. James's Place Charitable Foundation and complaints costs. In 2023, they also included the cost of setting up the Ongoing Service Evidence provision. These costs are recognised across various lines in the Cash result.

Financial review

2.2 Cash result continued**Expenses relating to investment in specific areas of the business**

Asia expenses and **DFM expenses** both reflect disciplined expense control during the year, and for Asia the impact of restructuring undertaken during 2023.

In the Cash result, Asia and DFM expenses are presented net of the income they generate in the Asia – net investment and DFM – net investment lines.

Reconciling items to IFRS expenses

DAC amortisation, net of additions, PVIF amortisation and equity-settled share-based payment expenses are the primary expenses which are recognised under IFRS but are excluded from the Cash result.

Expenses associated with insurance contract expenses are included in the Cash result but are shown within the Insurance service expense rather than the expenses line under IFRS 17.

Reconciliation of Cash result to IFRS profit before shareholder tax

The Cash result reconciles to IFRS profit before shareholder tax, as presented in section 2.1, as follows:

	Year ended 31 December 2024		Year ended 31 December 2023	
	Before shareholder tax	After tax	Before shareholder tax	After tax
	£'Million	£'Million	£'Million	£'Million
Underlying cash result	580.9	447.2	483.0	392.4
Ongoing Service Evidence provision	–	–	(426.0)	(323.7)
Cash result	580.9	447.2	57.0	68.7
Movements in DAC, DIR and PVIF	0.5	(0.1)	3.5	3.1
Impact of policyholder tax asymmetry	(38.9)	(38.9)	(44.4)	(44.4)
Equity-settled share-based payments	(11.2)	(11.2)	(5.4)	(5.4)
Impact of deferred tax	–	(9.0)	–	(24.9)
Other	4.6	10.4	(15.2)	(7.0)
IFRS profit/(loss)	535.9	398.4	(4.5)	(9.9)

Movements in DAC, DIR and PVIF are explained and analysed as follows:

IFRS requires certain upfront expenses incurred and income received to be deferred. The deferred amounts are initially recognised on the statement of financial position as a DAC asset and DIR liability, which are subsequently amortised to the consolidated statement of comprehensive income over a future period.

The impact of accounting for DAC, DIR and PVIF in the IFRS result is that there is an accounting timing difference between the emergence of accounting profits and actual cash flows. The following table presents the impact of each of these items on profit before shareholder tax. Due to policyholder tax on DIR, the amortisation of DIR during the year and DIR on new business for the year set out below are not the same as those presented in Note 11, which are presented before both policyholder and shareholder tax.

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Amortisation of DAC	(63.4)	(72.2)
DAC on new business for the year	45.2	39.9
Net impact of DAC	(18.2)	(32.3)
Amortisation of DIR	141.9	149.3
DIR on new business for the year	(120.0)	(110.3)
Net impact of DIR	21.9	39.0
Amortisation of PVIF	(3.2)	(3.2)
Movement in year	0.5	3.5

The simplification of our charging structure by the second half of 2025 will see the removal of initial product fees, and as a result there will be immaterial income being deferred from the point of implementation onwards. Most of the existing DIR liability at that point will amortise over a period of 6 years.

Financial review

2.2 Cash result continued

The **impact of policyholder tax asymmetry** is a temporary effect caused by asymmetries between fund tax deductions and the policyholder tax due to HMRC. Movement in the asymmetry can be significant in volatile markets.

Equity-settled share-based payments represent the expense associated with a number of equity-settled share schemes across the Group.

The **impact of deferred tax** is the recognition in the Cash result of the benefit from realising tax relief on various items including share options, capital allowances and deferred expenses. These have already been recognised under IFRS through the establishment of deferred tax assets. More information can be found in Note 10 to the IFRS consolidated financial statements.

Other represents a number of other small items, including the removal of other intangibles and the difference between the lease expense recognised under IFRS 16 Leases and lease payments made.

Derivation of the Cash result

The Cash result is derived from the IFRS consolidated statement of financial position in a two-stage process:

Stage 1: Solvency II Net Assets Balance Sheet

Firstly, the IFRS consolidated statement of financial position is adjusted for a number of material balances that reflect policyholder interests in unit-linked liabilities together with the underlying assets that are held to match them. Secondly, it is adjusted for a number of non-cash 'accounting' balances such as DIR, DAC and associated deferred tax. The result of these adjustments is the Solvency II Net Assets Balance Sheet and the following table shows the way in which it has been calculated at 31 December 2024.

31 December 2024	Note	IFRS	Adjustment 1	Adjustment 2	Solvency II	Solvency II
		Balance Sheet			Net Assets Balance Sheet	Net Assets Balance Sheet: 2023
		£'Million	£'Million	£'Million	£'Million	£'Million
Assets						
Goodwill	1	23.3	–	(23.3)	–	–
Deferred acquisition costs	2	286.2	–	(286.2)	–	–
Intangible assets	1	15.5	–	(15.5)	–	–
Property and equipment	3	134.0	–	–	134.0	153.1
Investment property		892.3	(892.3)	–	–	–
Deferred tax assets	4	2.7	–	(2.6)	0.1	20.4
Investment in associates		21.9	–	–	21.9	10.2
Reinsurance assets		14.9	–	(4.2)	10.7	6.7
Other receivables	5	2,687.4	(816.7)	(3.3)	1,867.4	2,147.3
Financial investments	6	182,320.2	(180,117.3)	–	2,202.9	1,462.6
Derivative financial assets		2,812.8	(2,812.8)	–	–	–
Cash and cash equivalents	6	5,663.9	(5,311.3)	–	352.6	285.4
Total assets		194,875.1	(189,950.4)	(335.1)	4,589.6	4,085.7
Liabilities						
Borrowings	7	516.8	–	–	516.8	251.4
Deferred tax liabilities	4	679.4	–	10.7	690.1	414.5
Insurance contract liabilities		518.6	(467.3)	(37.0)	14.3	18.2
Deferred income	2	469.5	–	(469.5)	–	–
Other provisions	8	460.3	–	–	460.3	500.1
Other payables	3, 9	2,144.3	(692.7)	(6.2)	1,445.4	1,757.0
Investment contract benefits		141,038.8	(141,038.8)	–	–	–
Derivative financial liabilities		3,052.1	(3,052.1)	–	–	–
Net asset value attributable to unit holders		44,699.5	(44,699.5)	–	–	–
Income tax liabilities	10	22.1	–	–	22.1	11.5
Total liabilities		193,601.4	(189,950.4)	(502.0)	3,149.0	2,952.7
Net assets		1,273.7	–	166.9	1,440.6	1,133.0

Adjustment 1 strips out the policyholder interest in unit-linked assets and liabilities, to present solely shareholder-impacting balances. For further information refer to Note 14 Financial investments, investment property and cash and cash equivalents within the IFRS consolidated financial statements.

Adjustment 2 removes items such as DAC, DIR, PVIF and their associated deferred tax balances from the IFRS statement of financial position to bring it in line with Solvency II recognition requirements.

Financial review

2.2 Cash result continued

Notes to the Solvency II Net Assets Balance Sheet

1. Goodwill and intangible assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired entity at the date of acquisition. Goodwill is not amortised, but is reviewed annually for impairment.

Intangible assets include computer software and the purchased value of in-force business. This represents the present value of future profits that are expected to emerge from insurance business acquired on business combinations, calculated at the time of acquisition using best-estimate assumptions. The balance is amortised over the anticipated lives of the related insurance contracts.

Each of these items is excluded from the Solvency II Net Assets due to their intangible nature. See Note 11 to the IFRS consolidated financial statements for further detail.

2. Deferred acquisition costs and deferred income

IFRS requires certain upfront expenses incurred and income received to be deferred. The deferred amounts are initially recognised on the IFRS consolidated statement of financial position as a DAC asset and DIR liability, which are subsequently amortised to the consolidated statement of comprehensive income over a future period.

They are each excluded from the Solvency II Net Assets due to their intangible nature. See Note 11 to the IFRS consolidated financial statements for further detail.

3. Property and equipment, and other payables

The property and equipment balance includes the right to use leased assets of £103.9 million (2023: £118.5 million), together with fixtures, fittings and office equipment of £28.4 million (2023: £32.1 million) and computer equipment of £1.7 million (2023: £2.5 million).

The right to use leased assets has decreased year on year due to depreciation. Lease liabilities of £107.2 million are recognised within the other payables line (2023: £120.5 million).

Note 12 Property and equipment, including leased assets, Note 13 Leases and Note 16 Other payables to the IFRS consolidated financial statements provide further detail.

4. Deferred tax assets and liabilities

Analysis of deferred tax assets and liabilities, including how they have moved year on year, is set out in Note 10 Income and deferred taxes within the IFRS consolidated financial statements.

5. Other receivables

Other receivables on the Solvency II Net Assets Balance Sheet have decreased from £2,147.3 million at 31 December 2023 to £1,867.4 million at 31 December 2024, principally reflecting a decrease in short-term outstanding market trade settlements in the unit-linked funds and consolidated unit trusts. Other receivables on the IFRS balance sheet have decreased from £2,997.4 million at 31 December 2023 to £2,687.4 million at 31 December 2024, additionally reflecting receivables within policyholder funds.

Detailed breakdowns of other receivables can be found in Note 15 Other receivables within the IFRS consolidated financial statements. Within other receivables there are two items which merit further analysis:

Operational readiness prepayment asset

The operational readiness prepayment asset arose from the investment made into our back-office infrastructure project, as we recognised Bluedoor development costs as a prepayment. The asset stood at £256.3 million at 31 December 2024 (31 December 2023: £283.5 million). It has been amortising through the IFRS statement of comprehensive income and the Cash result since 2017 and will continue to do so over the remaining life of the contract, which at 31 December 2024 is nine years.

Business loans to Partners

Facilitating business loans to Partners is a key way in which we are able to support growing Partner businesses. Such loans are principally used to enable Partners to take over the businesses of retiring or downsizing Partners, and this process has multi-stakeholder benefits:

- ◆ It supports the delivery of great outcomes for clients as they receive continuity of service within the SJP ecosystem.
- ◆ It makes SJP a great place for motivated, entrepreneurial advisers to build high-quality businesses over the long-term.
- ◆ It helps to support the next generation of SJP advisers.
- ◆ It retains advisers and clients which leads to retention of our FUM, which in turn supports our financial results and thus shareholders.

Financial review

2.2 Cash result continued

In addition to recognising a strong business case for facilitating such lending, we recognise too the fundamental strength and credit quality of business loans to Partners. We have low impairment experience due to a number of factors that help to mitigate the inherent credit risk in lending. These include taking a cautious approach to Group credit decisions, with lending secured against prudent business valuations. Demonstrating this, loan-to-value (LTV) information is set out in the following table.

	31 December 2024	31 December 2023
Aggregate LTV across the total Partner lending book	25%	29%
Weighted average LTV across the total Partner lending book	39%	42%
Proportion of the book where LTV is over 75%	5%	5%
Net exposure to loans where LTV is over 100% (£'Million)	7.2	6.7

If FUM were to decrease by 10%, the net exposure to loans where LTV is over 100% at 31 December 2024 would increase to £8.3 million (31 December 2023: increase to £7.7 million).

Our credit experience also benefits from the repayment structure of business loans to Partners. The Group collects advice charges from clients. Prior to making the associated payment to Partners, we deduct loan capital and interest payments from the amount due.

During the year we have continued to facilitate business loans to Partners and have also repurchased a proportion of loans previously funded by third parties which were guaranteed by the Group. For many of these loans we have conducted an in-year onward placement of them into our non-recourse securitisation facility, which is an interim step towards placing them fully off balance sheet. Further information is provided in Note 15 Other receivables and Note 19 Borrowings and financial commitments.

	31 December 2024	31 December 2023
	£'Million	£'Million
Total business loans to Partners	557.3	408.0
<i>Split by funding type:</i>		
Business loans to Partners directly funded by the Group	386.6	340.8
Securitised business loans to Partners	170.7	67.2

6. Liquidity

Cash generated by the business is held in highly rated government securities, AAA-rated money market funds and bank accounts. Although these are all highly liquid, only the latter is classified as cash and cash equivalents on the Solvency II Net Assets Balance Sheet. The total liquid assets held are as follows.

	31 December 2024	31 December 2023
	£'Million	£'Million
Fixed interest securities	8.6	8.2
Investment in Collective Investment Schemes (AAA-rated money market funds)	2,194.3	1,454.4
Financial investments	2,202.9	1,462.6
Cash and cash equivalents	352.6	285.4
Total liquid assets	2,555.5	1,748.0

The Group's primary source of net cash generation is product charges. In line with profit generation, as most of our investment bond and pension business enters a gestation period, there is no cash generated (apart from initial charges) for the first six years of an investment. This means that the amount of FUM that is contributing to the Cash result will increase year on year as gestation FUM becomes mature and is subject to annual product management charges. Unit trust and ISA business do not have a gestation period, and so generate cash immediately from the point of investment.

Cash is used to invest in the business and to support returns to shareholders. Our shareholder returns guidance is set such that appropriate cash is retained in the business to support the investment needed to meet our future growth aspirations.

Financial review

2.2 Cash result continued

7. Borrowings

The Group continues to pursue a strategy of diversifying and broadening its access to debt finance. We have done this successfully over time, for example via the creation and execution of our securitisation vehicle. For accounting purposes we are obliged to disclose on our consolidated statement of financial position the value of loan notes relating to the securitisation. However, as the securitisation loan notes were secured only on the securitised portfolio of business loans to Partners, they were non-recourse to the Group's other assets. This means that the senior tranche of non-recourse securitisation loan notes, whilst included within borrowing, is very different from the Group's senior unsecured corporate borrowings, which are used to manage working capital and fund investment in the business.

	31 December 2024	31 December 2023
	£'Million	£'Million
Corporate borrowings: bank loans	250.0	50.0
Corporate borrowings: loan notes	138.3	151.1
Senior unsecured corporate borrowings	388.3	201.1
Senior tranche of non-recourse securitisation loan notes	128.5	50.3
Total borrowings	516.8	251.4

Senior unsecured corporate borrowing of £388.3 million at 31 December 2024 increased from £201.1 million at 31 December 2023. This principally reflects the drawing of an additional £250.0 million bridging facility, offset by a reduction in the amount drawn under our revolving credit facility. We have committed to repay the £250.0 million bridging facility after the balance sheet date. Further information is provided in Note 19 Borrowings and financial commitments and Note 28 Events after the end of the reporting period within the IFRS consolidated financial statements.

8. Other provisions

Further information on other provisions, including how the balance has moved year on year, is set out in Note 18 Other provisions and contingent liabilities within the IFRS consolidated financial statements.

9. Other payables

Other payables on the Solvency II Net Assets Balance Sheet have decreased from £1,757.0 million at 31 December 2023 to £1,445.4 million at 31 December 2024, largely due to a decrease in short-term outstanding policy-related settlements. Other payables on the IFRS balance sheet have decreased from £2,388.1 million at 31 December 2023 to £2,144.3 million at 31 December 2024, additionally reflecting payables within policyholder funds.

Detailed breakdowns of other payables can be found in Note 16 Other payables within the IFRS consolidated financial statements.

10. Income tax liabilities

The Group has an income tax liability of £22.1 million at 31 December 2024 (31 December 2023: £11.5 million). This is due to a current tax charge of £349.3 million, tax paid in the year of £326.1 million and other impacts of £12.6 million. Further detail is provided in Note 10 Income and deferred taxes.

Stage 2: Movement in Solvency II Net Assets Balance Sheet

After the Solvency II Net Assets Balance Sheet has been determined, the second stage in the derivation of the Cash result identifies a number of movements in that balance sheet which do not represent cash flows for inclusion within the Cash result. The following table explains how the overall Cash result reconciles to the total movement.

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Opening Solvency II net assets	1,133.0	1,379.9
Dividend paid	(76.8)	(289.9)
Issue of share capital and exercise of options	-	6.8
Consideration paid for own shares	(9.5)	(0.5)
Change in deferred tax	(9.6)	(24.9)
Impact of policyholder tax asymmetry	(38.9)	(44.4)
Reassurance recapture add-back	-	39.8
Change in goodwill, intangibles and other non-cash movements	28.3	(2.5)
Share buy-back	(33.1)	-
Cash result	447.2	68.7
Closing Solvency II net assets	1,440.6	1,133.0

Financial review

2.3 European Embedded Value (EEV)

Wealth management differs from most other businesses, in that the expected shareholder income from client investment activity emerges over a long period in the future. We therefore supplement the IFRS and Cash results by providing additional disclosure on an EEV basis, which brings into account the net present value of the expected future cash flows. We believe that a measure of the total economic value of the Group's operating performance is useful to investors.

As in previous reporting, our EEV continues to be calculated on a basis determined in accordance with the EEV principles originally issued in May 2004 by the CFO Forum and supplemented both in October 2005 and, following the introduction of Solvency II, in April 2016. Many of the principles and practices underlying EEV are similar to the requirements of Solvency II, and we have sought to align them as closely as possible.

For 2024 we have simplified the EEV information provided in this section. Additional information, previously included within this section, can now be found within the data book on our website sjp.co.uk/full-year-results-2024-databook.

The following table and accompanying notes summarise the profit/(loss) before tax of the combined business.

	Note	Year ended	Year ended
		31 December 2024	31 December 2023
		£'Million	£'Million
New business contribution	1	801.0	695.4
<i>Profit from existing business</i>			
– unwind of the discount rate	2	580.8	506.0
– experience variance	3	(136.1)	(11.3)
– operating assumption change	4	(20.8)	13.9
Investment income		32.5	30.3
Funds management EEV operating profit		1,257.4	1,234.3
Distribution business	5	(77.3)	(68.3)
Other	6	(86.0)	(125.0)
EEV operating profit before exceptional items		1,094.1	1,041.0
Exceptional item: Charge structure	7	(49.1)	(2,506.6)
Exceptional item: Ongoing Service Evidence provision	8	–	(426.0)
EEV operating profit/(loss) after exceptional items		1,045.0	(1,891.6)
Investment return variance	9	533.7	501.7
Economic assumption changes	10	23.5	2.5
EEV profit/(loss) before tax		1,602.2	(1,387.4)
Tax		(390.5)	340.3
EEV profit/(loss) after tax		1,211.7	(1,047.1)

A reconciliation between EEV operating profit/(loss) before tax and IFRS profit before tax is provided in Note 3 Segment reporting within the IFRS consolidated financial statements.

Notes to the EEV result

- The **new business contribution** for the year at £801.0 million (2023: £695.4 million) was 15% higher than the prior year, predominantly reflecting the increase in new business volumes.
- The **unwind of the discount rate** for the year was higher at £580.8 million (2023: £506.0 million), primarily reflecting a higher value of in-force business.
- The **experience variance** during the year was negative £136.1 million (2023: negative £11.3 million), reflecting the adverse persistency experience in the year.
- The **impact of operating assumption changes** in the year was negative £20.8 million (2023: positive £13.9 million), driven by a small increase in expenses assumed for the maintenance of in-force business under our new charging structure, and minor changes to persistency assumptions. The impact in 2023 reflected a small improvement to the persistency assumptions for our offshore bond business.
- The **distribution business** loss includes the positive gross margin arising from advice income less payments to advisers, offset by the costs of supporting the Partnership and building distribution capabilities in Asia. The reported loss has increased year-on-year due to an increase in expenses recognised in this part of the Group.
- Other** represents a number of miscellaneous items including development expenditure, the costs of running our Academy and implementing our new charging structure, as well as the cost of redress associated with client complaints. It has decreased due to the decrease in complaints costs during the year.
- The **exceptional item: charge structure** recorded in the prior year reflected the impact on the opening position of changes to our charging structure which were announced during 2023. In 2024, the charge of £49.1 million reflects a refinement to our modelling of the impact of these changes.
- The **exceptional item: Ongoing Service Evidence provision** recorded in the prior year reflected the impact of establishing a provision following a review into the evidencing of historic ongoing servicing. The provision recognised during 2023 remains appropriate.
- The **investment return variance** reflects the capitalised impact on the future annual management fees resulting from the difference between the actual and assumed investment returns. Given the size of our FUM, a small difference can result in a large positive or negative variance.

The typical investment return on our funds during the year was 11.9% after charges, compared to the assumed investment return of 5.8%. This resulted in an investment return variance of £533.7 million (2023: £501.7 million).
- The positive **economic assumption changes** variance of £23.5 million arising in the year (2023: £2.5 million) reflects an increase in real yields.

Financial review

2.3 European Embedded Value (EEV) continued**Analysis of the EEV result**

The table below provides a summarised breakdown of the embedded value position at the reporting dates.

	31 December 2024	31 December 2023
	£'Million	£'Million
Value of in-force business	7,401.9	6,606.1
Solvency II net assets	1,440.6	1,133.0
Total embedded value	8,842.5	7,739.1

	31 December 2024	31 December 2023
	£	£
Net asset value per share	16.25	14.11

The EEV result above reflects the specific terms and conditions of our products. Our pension business is split between two portfolios. Our current product, the Retirement Account, was launched in 2016 and incorporates both pre-retirement and post-retirement phases of investment in the same product. Earlier business was written in our separate Retirement Plan and Drawdown Plan products, targeted at each of the two phases separately, and therefore has a slightly shorter term and lower new business margin.

Our experience is that much of our Retirement Plan business converts into Drawdown Plan business at retirement, but, in line with the EEV guidelines, we are required to defer recognition of the additional value from the Drawdown Plan until it crystallises. If instead we were to assess the future value of Retirement Plan business (beyond the immediate contract boundary) in a more holistic fashion, in line with Retirement Account business, this would result in an increase of approximately £279.0 million to our embedded value at 31 December 2024 (31 December 2023: £250.0 million).

Section 3 – Solvency

St. James's Place has a business model and risk appetite that result in underlying assets being held that fully match our obligations to clients. Our clients can access their investments 'on demand' and because the encashment value is matched, movements in equity markets, currency markets, interest rates, mortality, morbidity and longevity have very little impact on our ability to meet liabilities. We also have a prudent approach to investing shareholder funds and surplus assets in cash, AAA-rated money market funds and highly rated government securities. The overall effect of the business model and risk appetite is a resilient solvency position capable of enabling liabilities to be met even during adverse market conditions.

Our Life businesses are subject to the Solvency II capital regime introduced in 2016. Given the relative simplicity of our business compared to many other organisations that fall within the scope of Solvency II, we have continued to manage the solvency of the business on the basis of holding assets to match client unit-linked liabilities plus a management solvency buffer (MSB). This has ensured that not only can we meet client liabilities at all times (beyond the Solvency II requirement of a '1-in-200-years' event), but we also have a prudent level of protection against other risks to the business. At the same time, we have ensured that the resulting capital held meets with the requirements of the Solvency II regime, to which we are ultimately accountable.

For the year ended 31 December 2024 we reviewed the level of our MSB for the Life businesses, and chose to maintain it at £355.0 million (31 December 2023: £355.0 million). The Group's overall Solvency II net assets position, MSB, and management solvency ratios are as follows:

	31 December 2024				31 December 2023 total
	Life ¹	Other regulated	Other ^{1,2}	Total	
	£'Million	£'Million	£'Million	£'Million	
Solvency II net assets	419.9	408.8	611.9	1,440.6	1,133.0
MSB	355.0	193.4	–	548.4	529.5
Excess Solvency II net assets over MSB	64.9	215.4	611.9	892.2	603.5
Management solvency ratio	118%	211%	–	–	–

1 After payment of year-end intra-Group dividend.

2 Before payment of the Group final dividend.

Solvency II Balance Sheet

Information about the Solvency II free asset position for the Group is provided in Note 22 to the IFRS consolidated financial statements. Analysis of the Solvency II position split by regulated and non-regulated entities and Solvency II sensitivities, previously included within this section, can now be found within the data book on our website sjp.co.uk/full-year-results-2024-databook.

Conscious risk management



◆
***“A culture that
 prioritises risk
 awareness is essential
 to the quality of our
 advice-led business
 model and for
 achieving SJP’s goals.”***

◆
Hestie Reinecke
 Chief Risk Officer

As the leading advice-led wealth manager in the UK, the Group remains steadfast in its commitment to providing exceptional service and delivering long-term value to its clients.

Central to this commitment is embedding a strong risk culture across the organisation, underpinned by a robust approach to compliance, governance and control, and client-centricity.

A risk-aware culture across all levels of the organisation is essential to achieving the organisation’s objectives. This culture, which prioritises client outcomes and safe business growth, will ensure that risk management is an integral part of the approach to delivering value for clients and maintaining SJP’s reputation as a trusted adviser with the market and its regulators.

The business activities of the Group and the industry within which it operates expose it to a wide variety of inherent risks and opportunities. The Group aims to understand its risks and opportunities, and to consciously manage them. Effective risk management strategies are applied, so that material risks are identified and managed within the agreed risk appetite. When assessing risks and deciding on the appropriate responses, the potential impacts are considered for key stakeholders: clients, advisers, shareholders, regulators, employees and society.

Over the next few years SJP will further invest in and strengthen the risk management and internal control framework. This will include leveraging data and technology developments for managing risk and implementing enhanced control assurance and testing capability.

Risk appetite

The Board sets its appetite for managing risk in the context of the Group’s strategic objectives. These choices are set out in the Group risk appetite statement, which is reviewed at least annually by senior risk owners, the Group Executive Committee, and the Group Risk Committee before being approved by the Board. The Group risk appetite statement also provides a mechanism to record the key individuals within the Group who are ultimately accountable for managing particular risks.

The Group risk appetite statement includes a risk appetite scale ranging from no appetite for taking risks at all, through to acceptance of risk. Risk appetite may change over time, sometimes rapidly as economic and business environment conditions change, and therefore the statement is an evolving document.

A comprehensive suite of key risk indicators (KRIs) is incorporated into regular risk reporting, alongside qualitative information, to enable the Group Risk Committee, on behalf of the Board, to monitor the Group’s risk profile.

Risk and control management

Risk management and internal control framework

The internal control environment is built upon a risk and control conscious culture and organisational assignment of responsibility. The first line business is responsible and accountable for risk management, with oversight and challenge by second line risk and compliance functions, and independent assurance from the third line internal audit function.

The risk management and internal control framework is a combination of processes and systems by which the Group identifies, assesses, measures, manages, and monitors the risks that may impact the successful delivery of its strategic objectives and its ability to meet obligations towards clients, regulators and other key stakeholders.

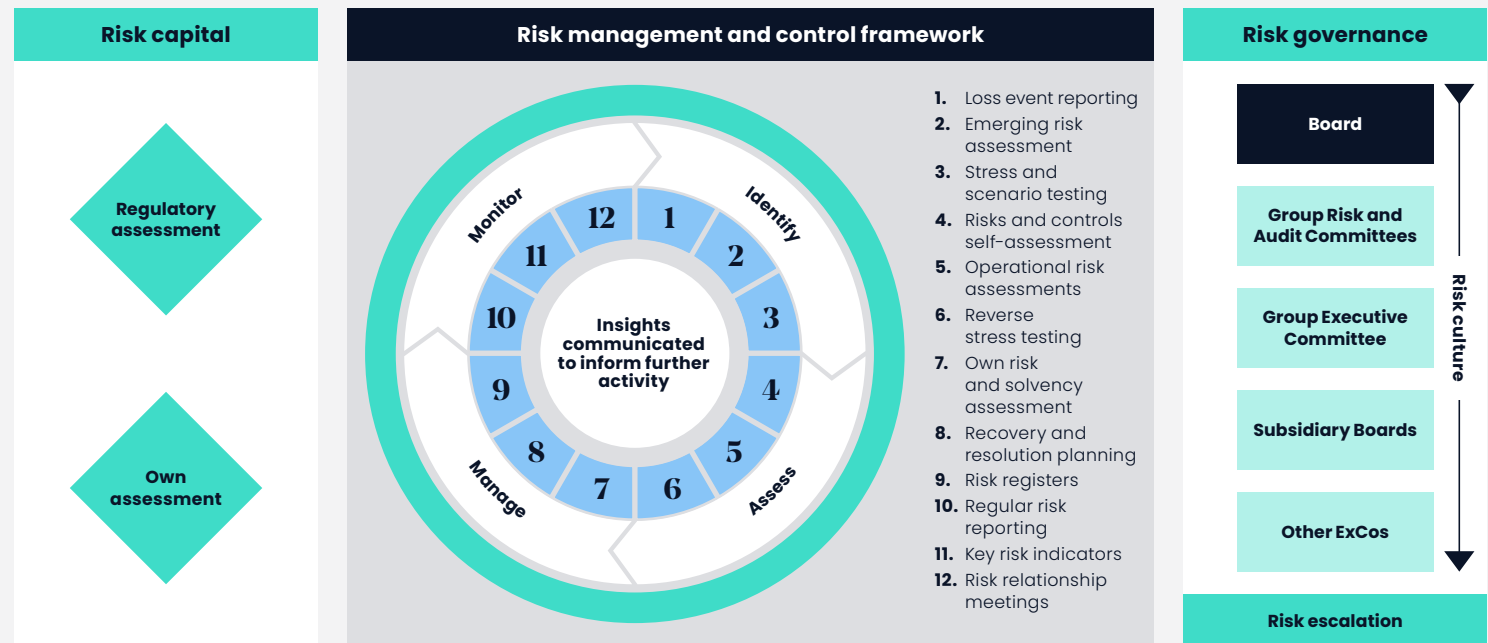
The Board, through the Group Risk Committee, takes an active role in overseeing the risk management and control framework, for which it is responsible. To this end the Board assesses its principal and emerging risks, which are considered in regular reporting and summarised annually in the Group's own risk and solvency assessment processes (ORSA and ICARA). Further information on this is provided opposite.

The Board has overall responsibility for ensuring that management maintains comprehensive systems of internal control for managing its principal and emerging risks. On behalf of the Board, the Group Audit Committee takes responsibility for assessing the effectiveness of the Group's risk management and internal control frameworks, covering all material financial, operational, compliance and reporting controls for the Group and its individual entities.

It does this by overseeing the review of risk and control self-assessments (RCSAs) and monitoring the effectiveness of the risk management and internal control framework throughout the year through the quarterly updates provided by management to the Committee, and annual executive-level attestations. The risk management and internal control frameworks have been in place for the year under review and up to the date of approval of the Annual Report and Accounts.

The Board receives regular reports from the Group Risk Committee and Group Audit Committee and approves key aspects of the Group's risk management and internal control framework including the risk appetite statement and Group ORSA.

The diagram below depicts the risk management and internal control framework.



Risk and control management

Own risk and solvency assessment (ORSA)

SJP Group is classified as an insurance group and a key part of the regulatory requirements include a consistent approach to risk management across the Group, supported by the production of an annual ORSA.

The ORSA process follows an annual cycle, which applies comprehensive risk assessments to the business's activity, and ensures the Group is resilient to stresses in both the short term and over a five-year period. The ORSA cycle is depicted in the diagram.

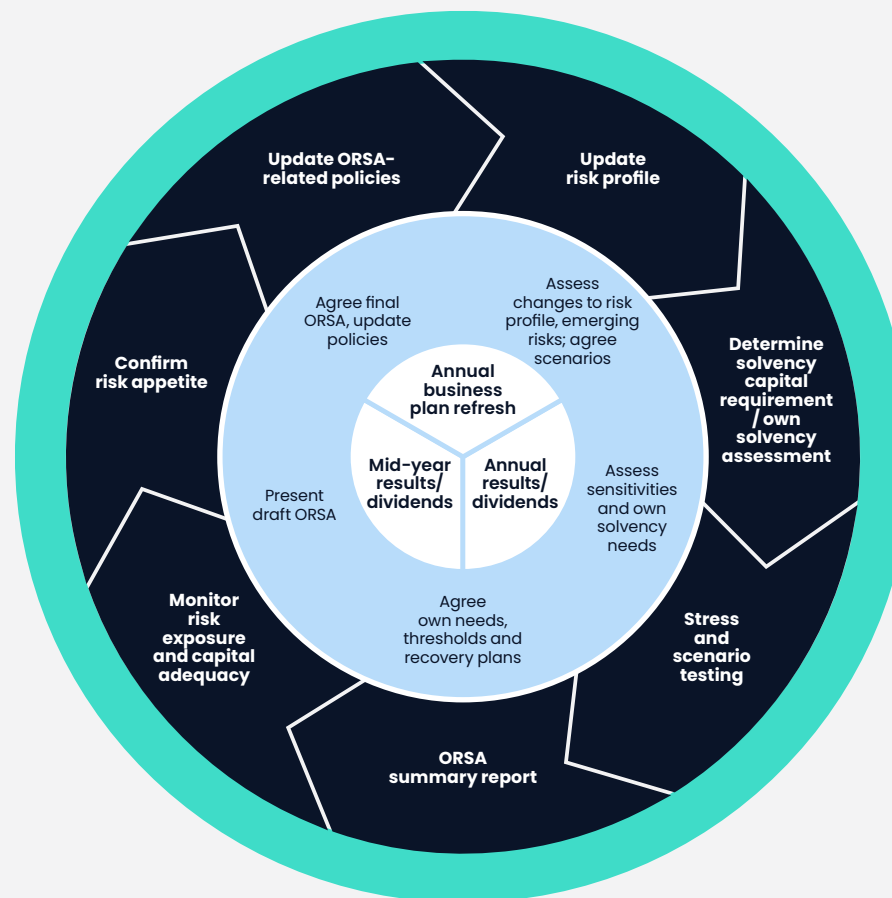
The ORSA assists decision-making by bringing together the following and is particularly useful in assessing viability, as it involves a comprehensive assessment of risks and capital requirements for the business:

- ◆ Strategic planning
- ◆ Risk appetite consideration
- ◆ Risk identification and management
- ◆ Capital planning and management.

The ORSA continues to evolve and further strengthen risk management processes throughout the Group.

The Solvency Capital Requirement for insurers allows for at least a '1-in-200-year' risk event over a one-year time horizon. In addition, a range of stresses and scenario testing are used to help provide insight into the ability to maintain regulatory capital in such conditions. This assists us when considering the calculations and allocation of risk capital to all major risks in the Group, and the adequacy of capital positions.

In calibrating the level of stresses and scenarios used, consideration is given to factors or events that impact on the income from funds under management such as market movements, retention of clients or ability to attract new clients. Factors which impact costs, such as inflation, non-inflationary expense increases, and operational event-related losses are also considered. A range of severities is considered, including more extreme scenarios. The scenarios are used to assess both the immediate impact of an event and the impact over the longer term (in the wake of an event). Assessments are completed based on a standard set of factors as well as more current/topical or emerging risk exposures affecting the Group or financial services more generally.



Risk and control management

Recovery and exit planning

In view of the introduction of solvent exit planning requirements by the PRA we have continued to review and refine our approach to recovery and exit planning through the year, including alignment to our broader risk management framework and operational resilience processes.

Current risk environment

Operational risks

SJP expects to implement its simple, comparable charging structure by the second half of 2025 and in the lead up to this, SJP will be communicating and engaging with clients to ensure they understand how their charges will change. This change enhances SJP's proposition for clients and reflects the Group's commitment to improving client outcomes. SJP believes that these efforts will yield significant long-term benefits for both clients and the business. While the new charging structure is expected to be implemented by the second half of 2025, foundational systems development to support this initiative was undertaken in 2024. Recognising the risks inherent in a project of this scale, oversight and change management practices aligned with the level of change are maintained within a robust governance framework.

At half year, SJP announced a redefined purpose and refreshed strategy. As the implementation of the new organisational model is progressed to support the delivery of the strategy and take costs out of the addressable cost base, people risks will be heightened. SJP is sensitive to the risks and is focused on managing impacts to people, whilst maintaining operational and financial resilience through the implementation of the new model and delivery of the SJP strategy.

Whilst SJP consistently aims to achieve good outcomes for clients, the Group experienced higher levels of complaints than usual during 2023. These complaints were principally in connection with the delivery of historic ongoing advice. This prompted the Group's historic ongoing service evidence review, a key programme of work which kicked off in 2024 to review the historic servicing records for all clients who have been charged for ongoing advice since the start of 2018. In February 2024 the Group announced a provision, recognised in the 2023 year-end financial statements, for the estimated cost of providing refunds to clients where the evidence of ongoing advice delivery fell below an acceptable standard. There has been no change in the estimated cost of the programme during 2024, and hence the Group remains comfortable with the provision.

Changes have been implemented to ensure more consistent, centralised evidence of the activities of the Partnership with clients, which reduces the risk of clients not receiving ongoing advice of value to them. Where there is not adequate evidence of ongoing advice being provided, ongoing advice charges are switched off.

Claims management companies (CMCs) have continued to be interested in the Group. Alongside existing advice standards and checking processes, several actions have been taken to embed the Consumer Duty, enhance evidential standards for ongoing advice, switch off ongoing advice charges for clients who haven't received ongoing advice, and strengthen adviser oversight and complaint handling processes. All these help to further manage the risk, and mitigate the potential level of complaints over the medium to long term. Whilst the volume of complaints received during 2024 has been much higher than usual, there has been a significant reduction in the average number of complaints received per month in the second half of 2024 relative to the first half.

This is a positive trend which we to expect to continue. We also note that from 1 April 2025, CMCs will be required to pay a case fee for all cases brought forward to the Financial Ombudsman Service (FOS). We expect this to result in fewer spurious complaints as CMCs will have some financial exposure where complaints are referred to the FOS.

Macroeconomic/political

Inflation has reduced in 2024 from the high levels seen in recent years, although following the Autumn Budget it is expected to remain above the UK Government's target of 2% over the next few years, which could further impact on the cost of living and put pressure on expenses. The Autumn Budget made a variety of changes to taxation, and the impact of the tax changes on clients could result in reduced capacity or desire to save into certain products. SJP's advisers, through ongoing financial advice and a broad product/investment range, can support clients in managing their financial affairs, help manage the effects of inflation on the standard of living they are aiming for in retirement, and remain tax-efficient in their savings as the tax landscape changes.

There remains potential for global geopolitical tensions to escalate, which could have relevance to the Group through impacts on financial markets and through heightened cyber risk.

The Group's business model has demonstrated resilience to macroeconomic factors through 2024. For clients, SJP's advisers are well placed to advise them on the benefits of taking a long-term view and investing or continuing to invest.

Risk and control management

Regulatory change

SJP actively engages with the regulators and makes improvements to meet evolving and higher industry standards and expectations for financial advisers and investment intermediaries to help reduce and prevent the risks of serious harm to clients.

Regulatory change is a constant and, amongst the significant regulatory changes, the FCA reinforces the need for firms to embed the Consumer Duty regulation. Accordingly, it remains a priority to continue to embed the Duty and to improve activity to monitor and assess clients' outcomes.

Property fund closure

In line with industry peers managing property funds, SJP announced the decision to wind down the Property Unit Trust and remove the Property Life and Pension fund options. Due to low investor sentiment towards property and market-wide challenges experienced by property funds, it was not feasible to continue to offer the fund. Work is underway to focus on operational processes to implement the change and clients' money has started to be returned to them. This process is expected to take up to two years as we are prioritising delivering fair value to clients, which is less likely to be achieved over a compressed timeframe.

Sustainability and climate change

The information on the actions being taken to support the transition to a more sustainable economy can be found in the our responsible business section.

Sustainability and specifically climate-related risks are identified and assessed through the suite of Group risk policies, framework, processes and scoring methodologies as outlined throughout this section. Sustainability and climate change are cross-cutting risks that primarily drive market-related risk to investments as transition risks could threaten asset valuations; reputational risks associated with greenwashing accusations which could harm the Group's ability to attract and retain clients, reducing fee income; and regulatory risk as compliance with climate-related requirements can carry a high implementation cost. These could amplify the following principal risks to the business: client proposition, financial, strategy and change, regulatory and legislative (see our responsible business section for more detail).

The Group's approach to managing climate-driven market risk is similar to how other drivers of market-related investment risk are managed, through our investment management approach (IMA), whereby work is undertaken with fund managers to ensure they take account of climate risks whilst seeking to deliver returns for clients in line with their risk appetite.

Similarly to help mitigate reputational and regulatory risks, minimum standards are set for fund managers in relation to compliance and integration of ESG risks in decision-making.

Physical climate-related risks (acute or chronic) are assessed to ensure and enhance the Group's operational resilience. However, given the nature of SJP's operations, physical risks to the business are considered low. Climate-related opportunities, and the applicable timeframes assessed for each risk and opportunity are outlined in the our responsible business section.

Further details on the principal sustainability and climate-related risks can be found in the Group Climate report, including subsidiary-specific considerations where these differ from the consolidated Group position.

Risk and control management

Principal risks and uncertainties

Whilst the risk landscape evolved over the course of the year, the inherent principal risk areas that the business faces remain largely consistent with the previous year and are set out in the tables on the following pages, together with further information on the key risk components, and examples of material controls and processes through which these are aimed to be mitigated. Reputational damage and impacts to clients, the firm, or other stakeholders and the environment are a likely consequence of any of the principal risks materialising.

Principal risk and business priority	Risk description	Example risk components	Example mitigation/material controls
Advice and conduct	Quality, suitable advice, or service to clients is not provided.	<ul style="list-style-type: none"> ◆ Advisers deliver poor-quality or unsuitable advice ◆ Failure to evidence the provision of good-quality service and advice ◆ Increasing complaint volumes 	<ul style="list-style-type: none"> ◆ Licensing programme which supports the quality of advice and service from advisers ◆ Technical support helplines for advisers ◆ Partner financial reviews ◆ Whistleblowing and investigations ◆ Oversight processes in respect of the advice provided to clients delivered by Business Assurance, Field Risk, Advice Guidance and Compliance Monitoring teams ◆ Evidence of ongoing servicing of clients and charge switch-off process where ongoing advice has not been provided ◆ Client complaint handling process and reporting
Client proposition	The product proposition fails to meet the needs, objectives and expectations of clients. This includes poor relative investment performance and poor product design.	<ul style="list-style-type: none"> ◆ Investments provide poor returns relative to their benchmarks and/or do not deliver expected client outcomes ◆ Range of solutions does not align with the product and service requirements of current and potential future clients ◆ Failure to meet client expectations of a sustainable business, not least in respect of climate change and responsible investing 	<ul style="list-style-type: none"> ◆ Monitoring of asset allocations across portfolios to consider whether they are performing as expected in working towards long-term objectives ◆ Monitoring funds against their objectives, mindful of an appropriate level of investment risk ◆ Ongoing assessment of value delivered by funds and portfolios versus their objectives ◆ Where necessary, fund managers are changed in the most effective way possible ◆ Continuous review and development of the range of services offered to clients ◆ Engagement with fund managers around principles of responsible investment
Financial	The business's finances are not effectively managed.	<ul style="list-style-type: none"> ◆ Failure to meet client liabilities ◆ Investment/market risk ◆ Liquidity risk ◆ Credit risk ◆ Solvency/capital risk ◆ Expense risk ◆ Finance operations and financial reporting risk 	<ul style="list-style-type: none"> ◆ Policyholder liabilities are fully matched ◆ The Group maintains liquidity facilities with banks which are available on short notice if required to meet liquidity needs ◆ Excess assets appropriately invested in high-quality, high-liquidity cash and cash equivalents ◆ Strict lending criteria applied. Use of securitisation structures to manage exposure to Partner loans ◆ Monitoring and management of subsidiaries' solvency to minimise Group interdependency ◆ Setting and monitoring budgets ◆ Financial control policy, application and monitoring ◆ Budget and expense management and monitoring

Risk and control management

Principal risk and business priority	Risk description	Example risk components	Example mitigation/material controls
Partner proposition	The proposition solution fails to meet the needs, objectives and expectations of current and potential future advisers.	<ul style="list-style-type: none"> ◆ Failure to attract new members to the Partnership ◆ Failure to retain advisers ◆ Failure to increase adviser productivity ◆ Available technology falls short of client and adviser expectations and fails to support growth objective ◆ The Academy does not adequately support growth of the Partnership 	<ul style="list-style-type: none"> ◆ Focus on providing a market-leading Partner proposition ◆ Adequately skilled and resourced population of supporting field managers ◆ Market-leading support to Partners' businesses ◆ Reliable systems and administration support ◆ Expanding the Academy capacity and supporting recruits through the Academy and beyond
People	SJP is unable to attract, retain and organise the right people to run the business.	<ul style="list-style-type: none"> ◆ Failure to attract and retain personnel with key skills ◆ Failure to manage colleague performance effectively to meet objectives ◆ Key person dependencies ◆ Failure to create an inclusive and diverse business ◆ Poor employee wellbeing or corporate culture ◆ Culture of supporting social value is eroded 	<ul style="list-style-type: none"> ◆ Competitive total reward packages and effective performance management processes ◆ Succession planning and talent management ◆ Employee wellbeing is supported through various initiatives, benefits and services ◆ Monitoring of employee engagement and satisfaction ◆ Corporate incentives to encourage social value engagement, including matching of employee charitable giving to the SJP Charitable Foundation ◆ Whistleblowing hotline
Regulatory and legislative	Current, changing, or new regulatory and legislative expectations are not met.	<ul style="list-style-type: none"> ◆ Failure to prevent financial crime, money laundering, bribery and corruption, market abuse ◆ Internal or external fraud ◆ Failure to protect the confidentiality, integrity and availability of data ◆ Failure to comply with changing regulation or respond to changes in regulatory expectations ◆ Inadequate internal controls 	<ul style="list-style-type: none"> ◆ Financial crime prevention ◆ Fraud awareness programme ◆ Data protection measures including policies, governance & impact assessments, and awareness programmes. Clearly defined accountabilities and delegated authorities across the business ◆ Fostering of positive regulatory relationships ◆ Established governance and reporting processes, including incident escalations and breach reporting ◆ Extensive reviews over control environment and product governance

Risk and control management

Principal risk and business priority	Risk description	Example risk components	Example mitigation/material controls
Security and resilience	SJP fails to adequately secure its physical assets, systems and/or sensitive information, or to deliver critical business services to its clients.	<ul style="list-style-type: none"> ◆ Core system failure ◆ Disruption in key business services to clients ◆ Failure to protect against cyber attack ◆ Corporate, Partnership or third-party information security and cyber risks 	<ul style="list-style-type: none"> ◆ Business continuity planning for SJP and its key suppliers, and strengthening operational resilience capabilities by undertaking robust identification, assessment and testing of important business services ◆ Clear cyber strategy and mandatory 'Cyber Essentials Plus' accreditation for Partner practices or use of an SJP 'Device as a Service' solution ◆ Identification, communication, and response planning for a cyber event ◆ Data leakage detection technology, incident reporting and systems
Strategy and change	Failure to deliver change effectively and in line with the agreed strategy.	<ul style="list-style-type: none"> ◆ Risk that change initiatives fail to achieve the expected strategic contributions, outcomes and benefits ◆ Risk that change initiatives exceed budget, timelines, or fail to meet quality commitments ◆ Unnecessary delays/errors caused by failures in change delivery ◆ Failure to meet commitments to net zero 	<ul style="list-style-type: none"> ◆ Robust change governance and change management practices, including oversight, structured methodologies and testing ◆ Project sponsorship and change governance ◆ Transformation prioritisation, planning and oversight ◆ Change budget and resource planning and management ◆ Risk, assumption, issue and dependency management ◆ Data protection impact assessments ◆ Establishing appropriate interim emission targets using a data-driven approach to ensure feasibility
Third parties	Third-party outsourcers' activities impact performance and risk management.	<ul style="list-style-type: none"> ◆ Operational failures by material outsourcers ◆ Failure of critical services. Significant outsourced areas include: <ul style="list-style-type: none"> – investment administration – fund management – custody – policy administration – cloud services 	<ul style="list-style-type: none"> ◆ Ongoing third-party monitoring and governance, including assessment of operational resilience ◆ Due diligence on contractual agreements and SLAs ◆ Review of exit planning, operational resilience and business continuity plans

Risk and control management

Emerging risks

Emerging risks are identified through many activities: conversations and workshops with stakeholders and governance forums throughout the business, reviewing academic papers, attending industry events and other horizon scanning by the Group Risk team.

The purpose of monitoring and reporting emerging risks is to give assurance that the Group is well positioned to manage the novel developing or rapidly changing risks to its future strategy. The Group Risk Committee reviewed emerging risks during 2024. Examples of emerging risks include:

- ◆ **Cyber security risk** – Cyber attacks that result in loss of customer data, financial assets, and damage to reputation.
- ◆ **Climate change risk** – The risks associated with climate change and the need to transition to net zero by 2050 will have physical, legal, and regulatory consequences.
- ◆ **Regulatory change risk** – SJP is subject to conduct and prudential regulation in the UK by the PRA and FCA and in the other jurisdictions in which it operates.

- ◆ **Geopolitical risk** – Political instability, trade wars, and other geopolitical events can disrupt markets, reduce investment returns, and increase operating costs.
- ◆ **Artificial intelligence risk** – The use of artificial intelligence (AI) can improve efficiency and profitability but can also create risks associated with data privacy, algorithmic bias, and regulatory compliance.
- ◆ **Demographic shift risk** – Ageing population and demographic shifts can impact the demand for SJP services, requiring the need for innovative product solutions and a more advanced digital proposition.
- ◆ **Energy crisis/blackout risk** – Greater reliance on legacy nuclear plants and new renewable sources is highlighting a disparity between the UK's supply and demand of energy.

Conclusion

In accordance with the UK Corporate Governance Code (Provision 31), the Directors have assessed the Group's current financial position and prospects over the next five-year period and have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due. The Directors believe that the Group's risk planning, management processes and culture allow for a robust and risk-conscious environment.

Viability statement

How viability is assessed

The business considers five-year financial forecasts when developing its strategy. These incorporate the budget for the next financial year and four further years of forecasts based on reasonable central assumptions around the development of business drivers.

At the core of assessing viability is understanding how different principal risks could materialise. Risks are considered which might present either in isolation or in combination and which could result in acute shocks to the business or long-term underperformance against forecast(ed) business drivers. A five-year time horizon is considered sufficiently long to assess potential impacts and aim to ensure that the business remains viable, noting that identified management actions could also be taken to restore the business's prospects.

When considering how the principal risks previously described might affect the business, impacts on the following key financial drivers are considered:

- ◆ reduction in client and Partner retention
- ◆ reduction in new business relative to forecasts
- ◆ market stresses
- ◆ increases in expenses
- ◆ direct losses through operational risk events.

Stress and scenario testing on these key financial drivers is carried out, alongside operational risk assessments. To provide comfort over viability over the next five years, the scenarios and assessments look at events which would be extreme, whilst still remaining plausible. The analysis contained in the most recent ORSA demonstrated that the Group is resilient.

As an example, a scenario considered in the most recent ORSA included a severe fall in new business volumes in year one of the projection, followed by no subsequent growth in new business; a large immediate lapse across all lines of business; and 0% investment growth over five years. Even in this extreme scenario, the Group maintained capital well above the regulatory capital requirements.

For adverse stresses and scenarios there would be impacts on profitability, and depending on the severity of the scenario the Group would review and implement recovery actions which aim to protect and/or restore the Group's finances.

Responsible and sustainable decision-making

Being a responsible business is an integral part of what we do and how we do it. We are committed to taking responsibility for our actions and strive to have a positive impact on our people and communities.

Our approach

At SJP, we recognise that we have both the responsibility and the opportunity to drive positive change by considering the long-term impact of our actions. We aspire to make real progress by focusing our strategy on the areas that most materially impact our stakeholders and our Responsible Business (RB) Framework represents the scope of our ambitions.

Effective and transparent reporting can lead to real change by equipping our stakeholders with sufficient insights to enable effective decision-making. For consistency and comparability, we align our reporting to the UN Sustainable Development Goals and SASB standards in the other information section. We are preparing for upcoming regulations, including the International Sustainability Standards Board's inaugural standards IFRS S1 and S2. We welcome these new standards as an opportunity to further enhance SJP's strategy and build trust through demonstrating a credible approach.

Policy influence

Building on the strong foundations we have set in working with Government and the regulators, as discussed in the business model section, we continue to enhance our voice at industry level with Mark FitzPatrick now sitting on the Board of the Investment Association and Ian Mackenzie representing SJP on the Wealth Management CEOs group. We have strong and senior representation with TheCityUK, Personal Investment Management and Financial Advice Association, and The Investing and Saving Alliance.

For 2025, we plan to step up our focus on addressing the advice gap as a societal issue. We will also be contributing to consultations on sustainability policies and to support the finance industry to unite their efforts towards an economy-wide transition to net zero.

Our double materiality assessment

During 2024 we undertook a double materiality assessment (DMA), aligned to the European Sustainability Reporting Standards. We saw this as an important action to help inform our ongoing responsible business approach, risk management and corporate reporting.

The assessment considered both the impact of SJP's business operations on our stakeholders, society and the environment (impact materiality), as well as the financial risks and opportunities that societal and environmental changes represent to SJP (financial materiality). It builds upon the financial materiality exercises we have undertaken since 2019. The assessment helped to confirm our material topics, the sustainability issues that are the most significant for SJP, and to better understand our stakeholders' perspectives. These material topics are incorporated into our RB framework as shown on the right. We will continue to use these outputs in 2025 to focus our responsible business and sustainability-related efforts.

→ For additional detail on our 2024 activities see our Responsible Business report

Material topics	Responsible Business Framework	References
Consumers and end users		→ page 41
		→ page 40
Climate change		→ page 41
		→ page 41
Our own workforce		→ page 47
Workers in the value chain		→ page 50
Affected communities		→ page 40
Business conduct		→ page 50

Our responsible business framework



Financial wellbeing

Enhancing financial wellbeing for our clients, our people and our communities.

→ page 40



Community impact

Giving back to support local communities and regeneration.

→ page 40



Investing responsibly

Considering relevant ESG factors throughout our investment process, and engagement with our fund managers.

→ page 41



Climate change

Taking action on climate change with the aim of achieving Group net zero by 2050.

→ page 41 to 46



People

Investing in long-term relationships so we can create success together.

→ pages 47 and 48



Good governance

Helping us to build trust, effectively manage risks and deliver against our priorities.

→ pages 49 and 50

Our responsible business



Financial wellbeing

Enhancing financial wellbeing for our clients, our people, and our communities

Financial wellbeing is a key component of a thriving society and we work hard to improve people's financial lives. When we talk about financial wellbeing, we mean the feeling of being financially confident, included, resilient, and prepared for the future.

We remain committed to creating a positive impact for our clients, advisers, employees, and the communities we serve. Through our advice proposition, targeted initiatives, strategic partnerships, and a focus on financial education (FE), we aim to ensure that our business acts to support sustainable growth, economic resilience, and societal financial wellbeing.

Our clients

Our greatest impact on financial wellbeing is delivered through the trusting relationships our advisers build with their clients and the invaluable advice provided. This can lead to both financial and non-financial benefits. More detail on the value of financial advice and the part we play is discussed in the business model section.

We recognise that people are unique with different needs and ambitions. We always put our clients' needs at the heart of every conversation and seek to understand their individual circumstances, including how much knowledge they have about money and what financial wellbeing means to them.

We continue to develop our approach to supporting clients in vulnerable circumstances. Specialists from across the business have supported the continued professional development of our advisers, to enhance our services to our most vulnerable clients and avoid foreseeable harm. This includes increasing the educational resources that accompany our mandatory training.

Our Academy curriculum also features case studies to prompt discussion on tailoring advice to support accessibility needs.

Our people

We all experience major life events or milestones, and these are often the biggest prompts for people to seek financial advice. We know receiving financial advice is something many of our employees find invaluable. During 2024, we launched a panel of advisers to make advice more available to our people. This enhances the self-serve financial education toolkit available to employees, which includes seminars, videos and podcasts designed to empower informed decision-making.

Our communities

Supporting wider communities to develop their financial literacy and improve their day-to-day money management skills, is pivotal to our societal financial wellbeing ambitions. We do this by delivering FE through a combination of funding strategic partnerships, such as Young Enterprise, RedSTART and Help for Heroes, and through face-to-face volunteering in schools. In 2024, we reached over 16,600 young people through our FE initiatives (2023: 10,008).

Our network of committed advisers and employees directly engage with young people from wide-ranging backgrounds. Their efforts help foster a financially informed generation who are empowered to make confident future financial decisions. 77% of the young people who responded to our feedback survey feel more confident managing their money day-to-day after attending one of our workshops (2023: 81%).



Community impact

Giving back to support local communities and regeneration

We want to create lasting value in the places we live and work. We do this through the delivery of our FE programmes, volunteering time and skills in the local community, supporting the SJP Charitable Foundation and by providing added value to the charities funded by the Charitable Foundation.

As a business, we encourage all employees to volunteer for two days a year in work time, with 1,012 employees volunteering 10,065 hours in 2024 (2023: 928 and 9,900). We know that volunteering has a much broader impact than direct support for the wider community. Of the 414 employee volunteers who responded to our impact survey, 54% reported that volunteering improved at least one aspect of their wellbeing and 55% developed a skill that helped either their personal or professional lives.

our funding available under the Government's Apprenticeship Scheme to support the development of people in the funded charities.

The Charitable Foundation's grant-making is focused on supporting small- and medium-sized charities across four key areas: children and young people who are disadvantaged or have a disability, hospices, cancer, and mental health support. Additionally, the Charitable Foundation continues to support charities local to the SJP offices. This is facilitated through a network of Charitable Foundation Committees, which are made up of passionate SJP employees and advisers.

→ Read more about the Charitable Foundation sjpfoundation.co.uk



Supporting communities through our Charitable Foundation

Giving back to our communities has been a priority for SJP and part of our culture since day one, and the Charitable Foundation has been at the heart of this for more than 30 years. The Charitable Foundation continues to thrive today, bringing our people together to achieve its ambition of making a positive and lasting difference to people's lives. 79% of people supported through the Charitable Foundation report a substantive or transformational impact on their life (2023: 66%).

SJP matches all donations and fundraising from the SJP community to the Charitable Foundation, raising a total £8.95 million in 2024 (2023: £9.5 million). We also allocate some of

Thank you

The Charitable Foundation thanks everyone who has contributed and is grateful for the continued and generous support of the SJP community in the UK, Ireland, Middle East and Asia, and that of the SJP Group, who year on year provide outstanding support in donations, fundraising and volunteering time. The ongoing enthusiasm, creativity and willingness to give back is both inspiring and an agent for positive and sustained change in our communities both in the UK and overseas. Across 2024, we supported 981 charities, a 14% increase on 2023, helping those in need of support when they need it most.

12.8m

People supported since 1992

Our responsible business



Investing responsibly

Considering relevant ESG factors throughout our investment process, and engagement with our fund managers

We believe considering how companies approach ESG risks and opportunities can help our fund managers identify resilient businesses to invest in over the long term. Our job is to ensure our managers are managing these risks, and capitalising on opportunities, to deliver value for our clients.



We apply this approach across our entire fund range. Our Sustainable & Responsible Equity Fund goes above and beyond this for clients that wish to go further. The fund has been granted a 'sustainability focus' label by the FCA under the new Sustainability Disclosure Requirements, and aims to invest in companies that make a positive contribution to the planet and/or people. The bar to be a labelled fund is high and we are proud the fund is one of a minority in the UK to achieve one. Our discretionary fund management service provides the option to invest according to a client's specific values and objectives.

ESG risks and opportunities

Our fund managers must meet our minimum standards. They must be signed up to the United Nations supported Principles for Responsible Investment (PRI) and cannot invest in companies on our exclusions list. We monitor our fund managers through our annual responsible investment manager assessment.

¹ This excludes real estate funds and Rowan Dartington assets.

² As part of developing our new interim targets we have revised our calculation methodology and hence amended our 2023 reduction in weighted average carbon intensity from 43.8% to 39.4% since our baseline year 2019.

For additional oversight, we use company ESG data to check whether fund managers' portfolios align with the approach they set out in their responses to this assessment.

If data seems inconsistent, we will engage with the manager to understand why. We use this information, alongside our responsible investment manager assessment, to prioritise our engagements with managers throughout the year.

Engagement

Engagement can be a means of enhancing investment returns. We approach engagement in the following four ways:

1. We engage with our fund managers.
2. Our fund managers engage with the companies they invest in.
3. Our engagement partner, Robeco, engages with companies on our behalf. This strengthens the engagement undertaken by our fund managers.
4. We collaborate with industry initiatives to encourage better sustainability practices and disclosure.

Since our baseline year, 2019, we have reduced the weighted average carbon intensity of our investments¹ by 43.9% as at 31 December 2024 (2023: 39.4%²), exceeding our interim target of a 25% reduction by 2025.

→ [Read more about our responsible investment approach](#)



Climate change

Taking action on climate change with the aim of achieving Group net zero by 2050

We recognise the importance of supporting the transition to a lower-carbon economy and SJP remains committed to its Group net zero by 2050 goal.

Climate transition planning

The Transition Plan Taskforce guidance is proving invaluable in developing our plans. In 2024, we analysed where we have material impacts and what actions we must prioritise to progress impactful, realistic pathways. This exercise revealed that, although our actions can achieve meaningful impact, we are significantly dependent on the broader UK economy's transition to achieve net zero. This includes decarbonisation plans for the UK grid, rail, air travel and wider industry. We therefore challenged our ambitions and determined it was also necessary to reduce our reliance on carbon offsetting. As a result, we will be updating our interim targets, supported by data-driven insights and actionable roadmaps. We believe this is the right thing to do and reflects our vision of a credible long-term strategy.

Progress in 2024

- ◆ Our DMA verified that most of our climate impact is generated through our investments, which remain a key focus. We aim to set our new investment emissions target during 2025.
- ◆ Reviewed our existing ambitions and agreed to remove our near-term operations target of climate positive in 2025, as this relied too heavily on carbon offsetting to be a credible achievement. A new, science-led target will be set in 2025 as part of our evolving approach.
- ◆ Began rigorously reviewing our Partnership and supply chain targets of net zero by 2035, to be updated in due course.

- ◆ Assessed which Scope 3 emissions categories are applicable to SJP to identify any gaps (see other information section).
- ◆ Launched an employee electric or plug-in hybrid vehicle salary sacrifice scheme.
- ◆ Implemented policies to curb business travel, reducing travel emissions by 13%.
- ◆ We continue to use our utility analytical software and a carbon tracker to identify and remediate inefficiencies in our heating and cooling system optimisations, alongside identifying and implementing other energy efficiency initiatives.
- ◆ Maintained our zero waste to landfill policy across all UK properties where we oversee waste collection.

We remain fully committed to maximising our contributions towards a global sustainable future. Our climate transition planning focuses on four key areas to drive progress:

1. **Efficiency:** Taking an informed approach to improving energy and resource efficiency to minimise waste, travel and more.
2. **Insight-led action:** Using a data-led approach to identify initiatives that deliver the greatest impact.
3. **Engagement:** Collaborating with key stakeholders to drive awareness, action and transparency.
4. **Embedding sustainability:** Further integrating sustainability into our risk management, culture and governance.

→ [Read more about our evolving climate approach on pages 13 to 15 of our Climate report 2024](#)

Our responsible business

Our climate-related risk management

This year we have strengthened our climate risk management approach through the completion of a DMA and integrated this with Group-wide risk management. In particular, our DMA scoring was calibrated to the Group risk appetite, helping to ensure the robustness and consistency of the process. Full details of our group-wide risk approach, including climate-related risk management, are available in the risk and control management section, pages 30 to 34.

Our material climate-related risks and opportunities

The DMA provided a comprehensive evaluation of material climate-related risks, opportunities and impacts across our value chain. For these areas, we are focused on ensuring effective governance, risk management and robust metrics and tracking. To ensure appropriate prioritisation of action, subject matter experts (SMEs) across our business have agreed the timeframes over which SJP's material climate-related risks and opportunities could manifest. We appreciate that climate change implications could extend beyond the five-year planning horizon used in our financial sensitivity analysis process (own risk and solvency assessment). Therefore, these timeframes are reviewed annually and adjusted according to evidence.

We identified five climate-related risks which we consider to amplify four principal risks to the business. These are outlined in the table on the top-right. They were determined after considering all physical risk (acute, chronic) and transition risk categories recommended by the Task Force on Climate-Related Financial Disclosures. Physical risks were deemed immaterial to SJP given the nature of our business and mitigations in place. We also identified two climate-related opportunities, shown in the table on the bottom-right.

→ For a more detailed breakdown of our climate-related risks, opportunities and impacts, please see our Climate report 2024

Timeframes

When we believe the risk/opportunity is most likely to materialise.

S Short Term – 0-5 years **M** Medium Term – 6-9 years **L** Long Term – 10+ years

Principal risk amplified	Underlying climate-related risk(s) identified in Climate report 2024	Timeframes	Description of risk and impacts	Example mitigation (full list in Climate report 2024 pages 17 to 21 and 35)
Transition risks				
Strategy and change	Reputation risk – greenwashing; and Reputation risk – action failure	S M	Loss of prospective or existing clients due to negative publicity caused by greenwashing, accusations of greenwashing, or failure to contribute to tackling climate change.	We have updated our fund labels to align with the FCA's Sustainable Disclosure Rules.
Client proposition	Market risk – client offering	M	Client perceptions of how well our product offering aligns with their climate preferences could influence both new business inflows and the retention of existing clients and market share.	Clients with an ESG focus are made aware of our specialist Sustainable and Responsible Equity Fund, which has a 'sustainability focus' label and aims to invest in companies that make a positive contribution to the planet and/or people.
Regulatory and legislative	Policy & legal – regulatory compliance	M	Increased costs for continued compliance given enhanced climate-related disclosure, governance and risk management obligations. Risk of regulatory fines if we fail to comply.	We have begun preparatory work towards alignment with aspects of emerging regulations, such as the IFRS Sustainability Disclosure Standards.
Financial	Market risk – investments value	M	Financial risk of losses on investments caused by climate-triggered physical and transition-related risks adversely affecting investment values.	The risk is primarily minimised through matching our assets to policyholder liabilities (asset-liability matching).

Title & timeframes	Description	Actions taken
Opportunity		
Market – client offering S M L	The potential impact on the business includes the ability to attract new clients, and retention/growth of market share.	<ul style="list-style-type: none"> Continuing to offer our Sustainable and Responsible Equity Fund to clients Regularly reviewing our offering to consider whether there is demand for further sustainable products Our personalised approach means we can advise clients in line with their goals, including ESG
Reputational benefits S M	The potential impact on the business includes strengthening client trust and retention/growth of market share.	<ul style="list-style-type: none"> Having clear minimum expectations for fund managers on ESG Taking a data-driven approach to setting new interim emissions targets Reducing our reliance on carbon offsets

Our responsible business

Climate scenario analysis

Our climate scenario analysis shows that our business model remains resilient to climate-related risks. Scenario analysis relies on key assumptions outlined in the other information section. As such, it is not intended to be an accurate prediction. Nonetheless, scenario analysis is a valuable tool to identify the potential impacts of climate change on our business. We annually model climate-related physical and transition risks to our investment universe based on three climate pathways, shown below. These pathways were modelled in consultation with a leading climate scenario modelling agency, and are based on the Phase III climate scenarios constructed by the Network for Greening the Financial System (NGFS). NGFS is known for its research in this field and is widely used in the finance industry.

The results of our scenario analysis provide an opportunity to test the effectiveness of our climate-related risk mitigations. We aim to maintain or strengthen those measures that deliver the greatest resilience against the following impacts.

Impacts and resilience

We focused our impact analysis on estimating the risk-adjusted value of our investment universe, the most material part of our business, broken down by sector, company and geography. Transition risks to our investments were highest in the Orderly scenario, disproportionately impacting equities in companies sensitive to decarbonisation. Climate risk was greatest for investments vulnerable to physical risks in the Hot House World pathway. This remains the scenario that could most negatively impact our business model, in the ways described below.

As SJP's income is largely derived from funds under management, a reduction in the value of our investments due to climate risk could also decrease revenue, impacting profitability. This impact was possible under all scenarios tested. However, our modelling shows that once mitigating controls (described on the right) are taken into account, our business remains resilient to all three climate-related scenarios tested.

The key mitigations driving our resilience are:

- ◆ **Asset-liability matching:** To ensure the resilience of our business model to climate-related market impacts, our liabilities to clients are fully matched by our invested assets. Much of our income and costs also fluctuate with asset values. As they rise or fall in tandem, impacts on our Group's financial position and profitability are minimised. This ensures resilience against all three climate scenarios below.
- ◆ **Fund manager minimum standards:** As part of our annual assessments, we evaluate all our fund managers' approaches to climate scenario analysis to ensure they are considering climate-related risks in their investment approach and decision-making.

→ [Read more about our scenario analysis, climate-related risks and resilience in our Climate report 2024](#)



Our scenarios



Orderly – Net Zero 2050

Approximate global warming by 2100: +1.5°C

Assumes climate policies are introduced immediately and implemented smoothly, reflecting our ambition as a Group.



Disorderly – Delayed Transition

Approximate global warming by 2100: +1.5°C to +2°C

Assumes global emissions do not decrease until 2030, followed by an ambitious policy response thereafter. At the time of writing, this appears to represent the current level of warming globally.



Hot House World

Approximate global warming by 2100: +3°C

Assumes only current policies are preserved, resulting in continued emissions increases and a minimum of 3°C warming.

Our responsible business

Our climate change metrics and targets

To ensure our efforts remain focused on reducing emissions, we track data relating to a variety of metrics as listed below. We are in the process of developing additional key performance indicators to supplement these.

Area	Metric	Description	Risk/opportunity	Target	Progress
Investment universe	Weighted average carbon intensity (WACI)	WACI is a measure of investment emissions that shows us how much carbon our investments produce, on average, for every pound (£) of revenue they generate. This allows us to assess how carbon-efficient or carbon-intensive the companies we invest in are relative to others. For more details on how this calculation works and the carbon intensity of our investment funds, refer to our TCFD product report. ² We separately track total investment emissions (see 'Absolute financed emissions' below).	Transition – reputation risk	Reduce the carbon intensity of our portfolios by 25% by 2025 (base year 2019). ¹	Target successfully met. We aim to set a new interim target in 2025.
			Opportunity – reputation benefits	Transition our investment portfolio to net zero greenhouse gas emissions by 2050. ¹	As at 31 December 2024 our portfolio has seen a 43.9% reduction in WACI since 2019. → See our TCFD product report ² for more information
	Absolute financed emissions	Absolute financed emissions measure the total emissions footprint of our entire portfolio, taking into account its actual size, i.e. the total amount of money invested. This is in contrast to WACI (above), which tracks the emissions per dollar (\$). This covers our Scope 3, Category 15 emissions in line with the Greenhouse Gas Protocol and is PCAF aligned.	Transition – reputation risk Opportunity – reputation benefits	No specific target – we believe intensity-based investment targets (see above) remain the better measure of sustainability and help to drive more meaningful progress since they focus on the overall carbon efficiency of investments rather than the total amount of investments held, which is influenced by business growth.	→ See our TCFD product report ² for more information
	Sustainable funds under management	We track the total funds under management (FUM) in our Sustainable and Responsible Equity Fund. This allows us to assess demand for ESG investment product offerings to ensure we evolve with market expectations.	Transition – market risk Opportunity – market – client offering	Whilst we do not have a specific FUM target for this fund, we continue to track this metric as a useful proxy of consumer sentiment towards sustainable products, to enable us to evolve our offering.	→ See fact sheet for more information
Operations	Operational emissions	Scope 1, Scope 2 and limited Scope 3 categories of emissions in metric tonnes of CO ₂ -equivalents. This helps us monitor emissions progress to ensure we are meeting our public targets. SJP enhances its minimum regulatory carbon emissions disclosure requirements by voluntarily measuring and reporting against additional categories. See our full emissions disclosure on page 213 in the other information section of this Annual Report and Accounts. As mentioned on page 41 we will be updating our operations interim target in 2025, supported by data-driven insights and actionable roadmaps.	Transition – reputation risk	Reduce our Scope 1 emissions by 50% by 2025. Base year 2018, total 835 tonnes CO ₂ e.	→ Read more about our operational emissions targets and progress on page 213
			Opportunity – reputation benefit	Eliminate our Scope 2 (market-based) emissions by 2025. Base year 2018, total 167 tonnes CO ₂ e.	
			Transition – regulatory risk	Reduce our Scope 3 ³ emissions by 50% by 2025. Base year 2018, total 10,380 tonnes CO ₂ e.	

¹ This metric covers approximately 89% of our overall FUM as at 31 December 2024. 89% represents the total market value of the funds considered in the reduction of weighted average carbon intensity calculations, expressed as a proportion of the total AUM for SJP's core fund range. This includes all funds investing predominantly in equity and debt for listed corporates, as well as third-party funds held within funds of funds.

² The most recent TCFD product report is for the year ended 31 December 2023, and was published in June 2024.

³ This target covers Scope 3 categories 3, 5, and 6. Additional Scope 3 categories are disclosed in our full emissions disclosure in the other information section of this Annual Report and Accounts.

Our responsible business


Gross operational emissions

We continue to track and disclose the annual consolidated carbon emissions and energy usage for which St. James's Place plc is responsible, providing a comprehensive view of our Group climate impact. Our emissions calculations are conducted by independent experts. To ensure accuracy and comparability, to calculate our emissions, they have used the requirements of the Greenhouse Gas Protocol's Corporate Standard along with the UK Government GHG Conversion Factors for Company Reporting 2024, provided by the Department for Energy Security and Net Zero (DESNZ) and the Department for Environment, Food & Rural Affairs (DEFRA), as well as the IEA Emission Factors 2024. We follow an operational control consolidation approach to report our emissions. The coverage of our Scope 1 and 2 emissions disclosed is 100% for 2024. Any estimates included in our totals are derived from actual data which have been extrapolated to cover the full reporting period. We collect and report our environmental data on a one-quarter lag, so this year's reporting includes data from 1 October 2023 to 30 September 2024.

Summary of emissions

The table below summarises our greenhouse gas emissions for the 2024 reporting year as per Streamlined Energy and Carbon Reporting (SECR) requirements, and our full emissions breakdown (including additional Scope 3 categories) is shown in our full emissions disclosure in the other information section of this Annual Report and Accounts. Our Scope 1 emissions remained relatively flat, indicating stable direct emissions from our operations. Whilst we note our Scope 2 emissions increased, we are pleased that this was largely driven by our push to electrify our fleet. Consumption from electric vehicles was up 65% this year as we continued our shift towards more sustainable technologies.

As is typical for financial services companies, Scope 3 emissions remain the largest portion of our footprint. Encouragingly, our reported Scope 3 emissions did not increase despite growth in the business. This was primarily the result of decreased emissions from our property fund combined with our efforts to reduce transportation usage. This facilitated a 33% decrease in our flight emissions and a 13% reduction in overall business travel.

 **A full breakdown of our 2024 and baseline year numbers, as well as our global energy consumption, is available in our full emissions disclosure, in the Other information section on pages 213 and 214 of this Annual Report and Accounts.**

Our approach to offsetting

We believe beyond value chain mitigation (BVCM) is vital to the global net zero transition and we are therefore progressing alignment with the Science Based Targets initiative's (SBTi) BVCM portfolio design principles. This means supporting nature-based solutions through offsetting programs, whilst prioritising decarbonising our operations. Since 2019, we have neutralised our residual operational emissions annually using carbon credits. For 2024, this involved offsetting 12,418 tCO₂e. We recognise the heightened scrutiny of credit providers' quality standards and have outlined our strengthened offset selection process in our Climate report 2024.

Carbon emissions disclosure

Scope	Current reporting year (2024)			Comparison reporting year (2023)		
	UK	Global (excluding UK)	Total	UK	Global (excluding UK)	Total
Energy consumption ¹ used to calculate emissions (kWh)	11,155,499.63	220,472.68	11,375,972.30	9,726,267.24	224,976.41	9,951,243.65
Scope 1 emissions (tCO ₂ e)	596.44	–	596.44	572.5	–	572.5
Scope 2 (location-based) emissions (tCO ₂ e)	1,656.37	104.88	1,761.24	1,383.89	113.42	1,497.31
Scope 2 (market-based) emissions (tCO ₂ e)	750.18	101.98	852.16	577.54	111.47	689.01
Total gross Scope 1 & Scope 2 emissions / tCO₂e (location-based)	2,252.81	104.88	2,357.69	1,956.39	113.42	2,069.81
Total gross Scope 1 & Scope 2 emissions / tCO₂e (market-based)	1,346.62	101.98	1,448.60	1,150.04	111.47	1,261.51
Carbon intensity ratio: tCO ₂ e (gross Scope 1 + 2) / MWh (market-based)	0.121	0.463	0.127	0.118	0.495	0.127
Emissions from WTT, T&D and WTT (T&D) (Scope 3)			677.08			576.55
Total gross tCO₂e based on above (location-based)²			3,034.77			2,646.36
Total gross tCO₂e based on above (market-based)²			2,125.69			1,838.06

¹ Energy consumption includes all energy related to Scope 1 and 2.

² We track and disclose additional Scope 3 emissions categories in our full emissions disclosure in the other information section of this Annual Report and Accounts.

The table above sets out mandatory reporting on greenhouse gas emissions and global energy use pursuant to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, as amended by the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Streamlined Energy and Carbon Reporting (SECR) under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

Our responsible business

Our Climate report

This year, we are reporting against the Task Force on Climate-related Financial Disclosures (TCFD) framework for the fourth time. Given its size and scale, our comprehensive Climate report 2024, which covers all 11 TCFD disclosures, can be found separately here: sjp.co.uk/ClimateReport2024. To aid readers of the Annual Report and Accounts, we provide a summary of the key Group disclosures from the report below.

Summary of the Task Force on Climate-related Financial Disclosures (TCFD)

We are fully consistent with the TCFD recommendations and recommended disclosures. We have also considered the TCFD's All Sector Guidance and consider SJP to be fully consistent with these.

◆ Recommendations we have been able to fully disclose against

Disclosure in this Annual Report and Accounts	Description	TCFD recommended disclosure	2024	Summary of our disclosures	Disclosure pages in the Climate report 2024
Governance pages 49 and 59	Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the Board's oversight of climate-related risks and opportunities.	◆	We have provided an overview of how we govern climate-related risks and opportunities, including references to training and KPIs. We identify our accountable leaders and provide more context on our subsidiaries.	pages 08 to 11
		b) Describe management's role in assessing and managing climate-related risks and opportunities.	◆		
Strategy pages 34 to 37 and 41 to 43	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning where such information is material.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	◆	We have considered and outlined our short-, medium- and long-term climate-related risks and opportunities. Using this assessment, alongside our scenario analysis, we have considered their potential impact on us as a business and our resilience, and have incorporated the outputs into strategic planning.	pages 12 to 31
		b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	◆		
		c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a +2°C or lower scenario.	◆		
Risk pages 30 to 38 and 42	Disclose how the organisation identifies, assesses and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	◆	We have outlined the key climate-related risk processes we follow to identify, assess and manage our climate-related risks and opportunities, along with an overview of how we integrate this into our risk management process.	pages 32 to 35
		b) Describe the organisation's processes for managing climate-related risks.	◆		
		c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	◆		
Metrics and targets pages 44 to 45 and 212 to 213	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	◆	We have listed our key climate-related metrics including our Scope 1, 2 and 3 greenhouse gas emissions, our progress against targets and the impact of our investment proposition on our exposure to carbon-intensive companies.	pages 36 to 43
		b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	◆		
		c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	◆		

Our responsible business



People

Investing in long-term relationships so we can create success together

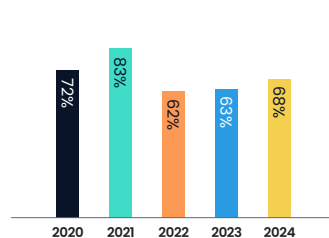
Our business is built around people and strong, trusted relationships. We understand that how we make connections and the environment we create are essential to our success.

We know that meaningful engagement with all of our stakeholders is essential, including clients and employees. See more detail in the section 172(1) statement section.

Client satisfaction and retention

In early 2024 we conducted a client survey which received 61,206 responses. The feedback indicated good client sentiment with 82% (2023: 81%) of clients being satisfied with their overall experience with us, 79% (2023: 79%) advocating for us, and 68% (2023: 66%) believing we offer value for money. Given the challenging macroeconomic environment in the year prior to the survey, we are pleased with these results. For 2025 we intend to change our client surveying approach by conducting smaller, more regular surveys during the year to obtain more timely feedback which reflects sentiment throughout the year.

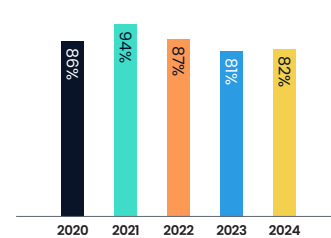
Value for money



1 72.51% amended from 74.4% reported in 2023 Annual Report and Accounts. We are able to analyse data from a wider range of learning programmes and events than in previous years, so the collection methodology has been improved.

2 Source: 'Metrics the Matter' Learning Analytics platform (N=2,258,000).

Overall satisfaction



Employee wellbeing

Striking the right balance between work and personal lives, while caring for one's own wellbeing, and those of others, can be challenging. SJP is committed to supporting our colleagues, ensuring their health and wellbeing remain a top priority, and this was highlighted by senior leaders in our townhalls during the year. We shared a reminder of all the resources and support available to help sustain mental and physical wellbeing through the period of change in the business. This includes online resources to help people build resilience and maintain a healthy work-life balance, a 24-hour employee assistance programme, private health insurance, and discounted gym memberships.

When needed, we assess the adjustments that can be made to the working environment or working pattern so employees with a disability, impairment or long-term condition can take up opportunities or enhance their role. We also aim to assist employees who become ill or disabled, for example, by arranging appropriate support and training. Our new workplace adjustments policy provides guidance in relation to these.

Reward and benefits

In our 2023 employee survey more clarity was asked for around our annual salary review and promotions processes. During 2024 we have simplified and communicated our processes for these, and in our end-of-year annual salary review we prioritised those who were below the market median and our lower-paid colleagues.

We are working towards improving our ethnicity and gender pay gaps which we report on in our annual Pay Gap report. This is hosted on our website and on the Government's gender pay gap service.

We had 70% employee participation in our all-employee Share Incentive Plan and Sharesave Plan following our annual invitation period to eligible employees. Share participation creates a strong sense of ownership and interest in the performance of the business.

SJP provides a comprehensive benefits package for employees, including a minimum pension contribution of 10%, protection benefits such as life cover, critical illness and income protection, alongside salary sacrifice and payroll benefits. We are proud that our maternity and paternity leave is an enhanced benefit of 26 weeks of full pay.

Learning and development

At SJP we are committed to providing and investing in the personal development of our people to enhance their knowledge, abilities and individual skills essential for high performance.

Our learning platform drives learning initiatives throughout our organisation and caters to both employees and our Partnership network. We provide personalised and engaging learning experiences, with a focus on on-demand digital content, peer-to-peer learning, instructor-led sessions, and collaboration with internal coaches and mentors. The platform supports learners with additional needs by blending a mix of text, audio, face-to-face, video, and interactive content. Our video content has the availability of screen reader compatible transcripts and closed captions. We seek input from learners with disabilities to help our learning methods meet diverse needs. As a mark of learners' satisfaction with their learning on our platform, the L&D team's net promoter score is 76.4% (2023: 72.51%)¹ against an industry average of 48%.²

Our virtual reality immersive technology is growing rapidly, with workshops available for employees covering topics such as communication and negotiation using AI software, in addition to vulnerable client roleplays for our Partnership, enhancing their empathy training and support for clients in vulnerable circumstances. For more information on the professional development support we provide our Partnership (see business model).

We are committed to investing in the skills that we require to be successful as an organisation, now and in the future. The 2024 leadership theme of psychological safety linked high performance, healthy corporate culture and good client outcomes.

We offer employees Apprenticeship Levy funded programmes as part of their professional development, with 50 people enrolling during the year. Our early careers programmes saw 11 graduates and 22 apprentices hired across our business.

Our responsible business

Inclusion and diversity (I&D)¹

As a company, we believe I&D is an essential part of creating a great place to work and a high-performing organisation. In early 2024 we announced our updated I&D-related targets, for our core employee base, reinforcing our commitment to sustaining and accelerating progress. We are pleased to report that we are making good progress towards these targets. These commitments are to achieve:

- ◆ 40% female representation on the Board by 2025. See page 66 for Board composition.
- ◆ 40% female representation in senior roles^{2,5} by 2028 (37.3% as at 31 December 2024).
- ◆ 10% minority ethnic representation in our GEC and their senior direct reports³ by 2027 (see figures on the right).
- ◆ 12% minority ethnic representation by 2028 (see figures on the right).

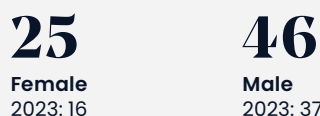
The voluntary diversity disclosure rate of our core employee base is 75.3% (2023: 75.3%) and informs our deliberate actions to drive positive change.

Our I&D approach

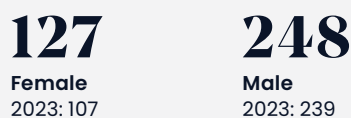
Our approach to I&D remains focused on attracting, retaining and developing diverse talent. This includes giving full and fair consideration to all applications for employment, fostering an inclusive environment with equal opportunities for employees to build their careers, irrespective of their background or characteristics, including disability. Our continued focus on I&D has led to improvements in our metrics as shown to the right. In 2024 we also introduced two new working groups focused on inclusion and continued to collaborate with our I&D Community Networks to drive engagement and understanding. This included the celebration of key events, intended to raise awareness of issues and provide the opportunity for open discussion and learning in a safe environment.

At 31 December 2024 we had 3,334 employees, of which 3,060 were in the UK (31 December 2023: 3,054 employees, of which 2,798 were in the UK). A breakdown of our workforce by gender is shown below.

Gender⁵ GEC and their senior direct reports³



Managers and decision-makers^{4,6}



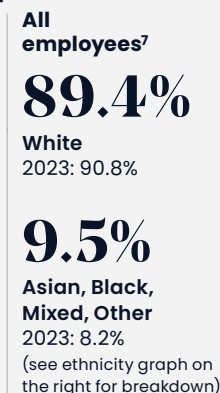
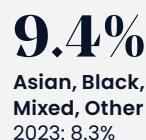
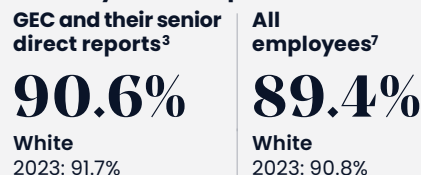
Total employees⁶



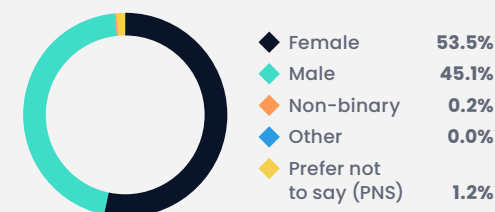
- 1 Employees may appear in more than one of the data points and graphs presented on this page.
- 2 We have defined senior roles within our core employee base as a combination of GEC and their senior direct reports³ and managers and decision-makers.⁴
- 3 The GEC and their senior direct reports; this includes the Company Secretary and excludes administrative and executive support staff such as personal assistants and executive assistants.
- 4 Managers and decision-makers are defined as employees who have responsibility for planning, directing or controlling activities of the Company, or a strategically significant part of the Company.

The following figures and charts for race and ethnicity, gender, sexual orientation and disability are based on voluntary employee diversity disclosures for our core employee base as at 31 December 2024.

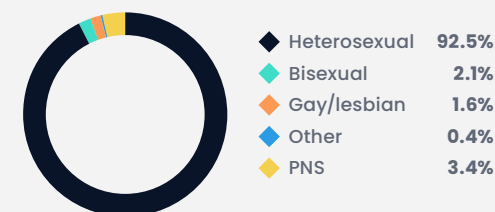
Minority ethnic representation⁸



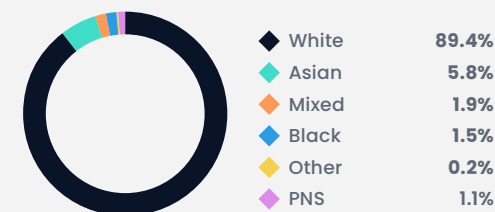
Gender⁵



Sexual Orientation



Ethnicity



Disability



For UKLR6.6 R(9 to 11) Board and executive management diversity disclosures please refer to pages 74 and 75.

Our responsible business



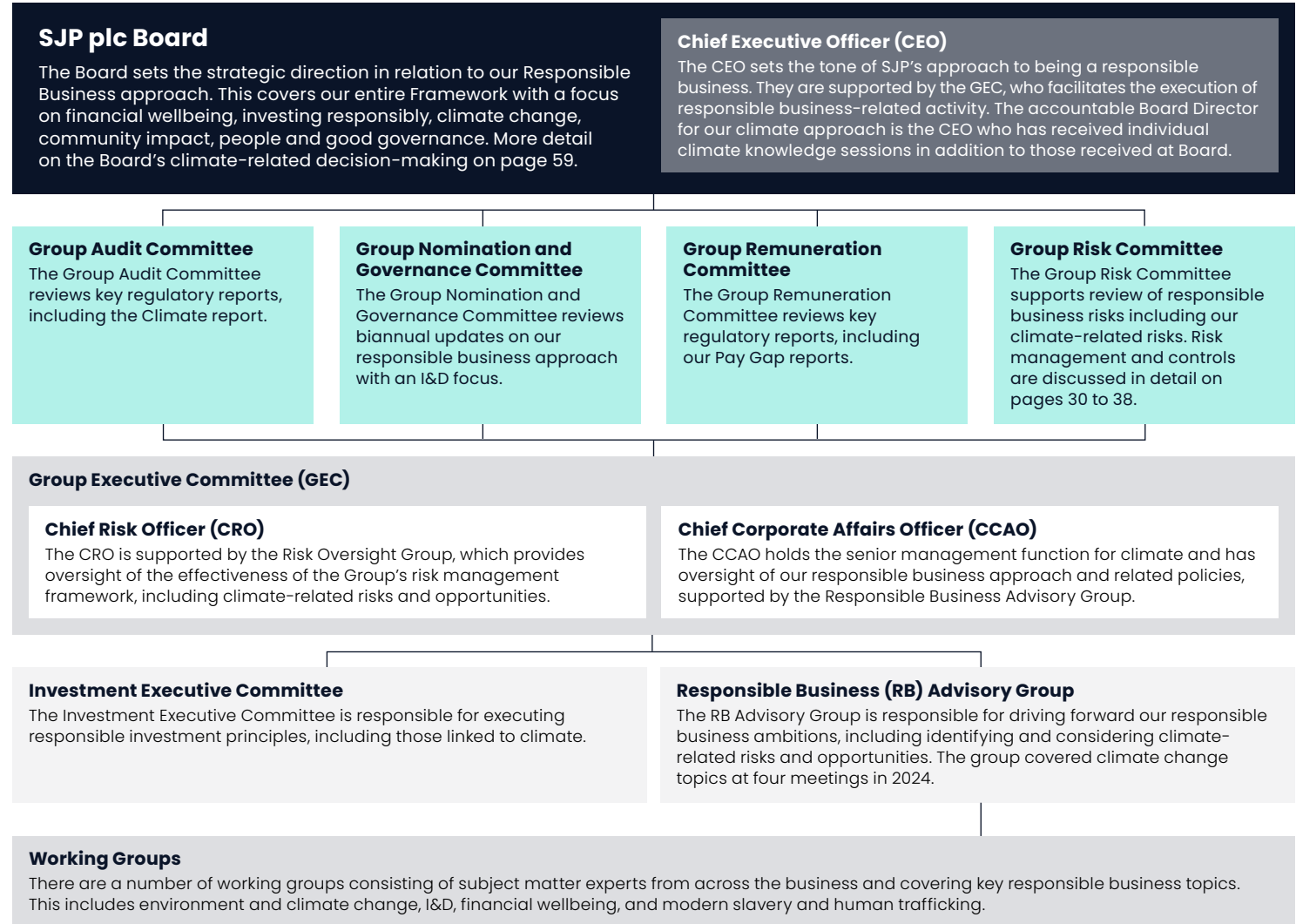
Good governance

Helping us to build trust, effectively manage risks and deliver against our priorities

Good governance drives efficient decision-making and thoughtful delegation, allowing us to effectively deliver on our objectives as a business and our commitments to stakeholders. It underpins our RB approach with the overall strategy, including for climate, determined at Group level.¹

Sustainability governance framework

We have specific governance forums at Board, executive and management level which oversee and manage responsible business-related risks and opportunities for the wider Group. By engaging with relevant stakeholders, we ensure we remain focused on progressing towards our ambitions and maximise the probability of proactively identifying risks and capitalising on opportunities, strengthening outcomes for clients and all stakeholders alike.



¹ Subsidiary boards hold the responsibility for corporate governance for their respective companies, and are informed and aligned with Group strategy, including on climate.

Our responsible business

Human rights

SJP is committed to respecting and supporting the protection of internationally proclaimed human rights and managing our business in an ethical manner, with no tolerance for the abuse of human rights (including modern slavery). Our approach to human rights includes:

- ◆ All employees have access to our code of ethics and equal opportunities policies, which make it clear that we oppose all forms of unfair discrimination or victimisation.
- ◆ Our bullying and harassment policy sets out that these are unacceptable forms of behaviour and SJP is committed to taking proactive measures to prevent all forms of bullying and harassment. In aid of identifying and addressing any issues, we monitor our workplace culture through the Workforce Engagement Panel, employee engagement surveys, exit interviews and employee relations case numbers. In 2024 we launched mandatory Equality Act training which covers harassment and discrimination.
- ◆ Our focus on I&D and employee wellbeing, as discussed earlier in this chapter, provides detail on how we work to prevent negative impacts on these human rights related topics.
- ◆ We are committed to respecting the health and safety of workers. We gather accident and illness data which is reported to the Health and Safety Committee quarterly. Due to our office environment the risk of accidents remains low.
- ◆ We respect the dignity of the individual and support the right of employees to freedom of association, join trade unions and engage in collective bargaining in accordance with local law.

- ◆ More broadly, our supply chain due diligence and ongoing oversight seek to secure evidence of good practice in relation to human rights. Recognising the impact of payment practices on workers in the value chain we are signatories of the Prompt Payment Code, which is encouraged by the Department for Business and Trade and demonstrates our commitment to good payment practices between ourselves and our suppliers.

In 2024 we reviewed our policies through a labour rights lens and updated them where appropriate. We also enhanced our longstanding commitment to respect human rights by publishing on our website a standalone Board-approved human rights policy.¹ This encompasses our business operations and wider value chain.

Responsible procurement

Our procurement process is designed to ensure we meet our regulatory and business obligations. Our sourcing, outsourcing and supplier management policy requires effective, risk-based due diligence to be conducted on all new suppliers and outsourcers. Where applicable this includes an assessment of their approach to compliant, responsible, and sustainable procurement, including but not limited to their environmental sustainability, ethical and fair treatment of workers (including human rights), information security and financial crime prevention (including anti-bribery and corruption).

We also require regular oversight by the business owners and relationship managers. This is supported by periodic reassessment of the due diligence throughout the term of the relationship; the frequency of this activity depends on the materiality of the supplier/outsourcer, which is a measure of the risk they may pose to SJP and/or its stakeholders.

We are a Living Wage Foundation accredited employer and assess, where applicable, how our third parties remunerate their workforce. In some cases, we have ensured our commercial agreements reflect this requirement and we provide the supplier with the correct support to do so.

Anti-bribery and corruption

We have a zero-tolerance approach to bribery and corruption and aim to protect the SJP Group, our clients, shareholders, employees, and associated companies from any involvement. Our Board has responsibility for oversight of the Group's financial crime prevention policy, which includes anti-bribery and corruption, and reviews this annually. Our employees and advisers are provided with annual training on money laundering and biennial training regarding other financial crimes including fraud, bribery and corruption, and facilitation of tax evasion through mandatory online training programmes. In 2024 SJP was not issued with any associated fines or penalties relating to corruption. Our anti-bribery and corruption policy statement is available on our website.²

Mechanism for raising concerns

At SJP our speak up policy and the Whistleblowing Framework are key tools for our employees, Partnership and other stakeholders to raise any concerns, or to notify breaches of company codes or policies. Examples could include anything linked to anti-bribery and corruption, human rights, and bullying or harassment. All employees, advisers and their support staff are made aware of our Speak Up mechanisms in annual training.

The Whistleblowing Framework strengthens our corporate governance by identifying risks early, safeguarding the company's reputation and promoting a healthy culture. It plays a critical role in risk mitigation and trust building with stakeholders.

In 2024 under the oversight of the Whistleblowers' Champion and the Whistleblowing team, we provided clear, confidential and anonymous reporting channels for concerns to be raised without the fear of retaliation. We introduced an independent third-party reporting hotline, available 24/7, to provide additional reporting channels and enhance confidence in the Whistleblowing Framework. The Framework remained robust and effective, ensuring transparency and accountability with concerns raised appropriately addressed throughout the year.

We comply with all jurisdictional whistleblowing laws and regulations applicable to our operations, including the UK Public Interest Disclosure Act 1998, Financial Conduct Authority Systems and Controls 18, Irish Protected Disclosures Act 2014 (amended 2022) and Dubai Financial Services Authority Rulebook General module section 5.4. To date, there have been no breaches of whistleblowing regulations. We continue to further enhance the Whistleblowing Framework with continued awareness and training across the Group. Further information, including relevant contact details, can be found on our website.²

Data privacy

We know how important it is to demonstrate responsibility as data custodians, protecting the privacy of all those with whom we interact. We are committed to ensuring strong data protection standards, which is integral to our success as a trustworthy organisation. During 2024 we launched mandatory training on information security.

SJP adheres to the requirements of the UK Data Protection Act 2018 and relevant data protection regulations in the countries in which we operate. We ensure that any transfer of a data subject's personal data outside the UK is done with the appropriate safeguards in place, as per the Information Commissioner's Office guidance, and only to third parties with whom we have a contracted business relationship. Our privacy policy is publicly available on our website.³

1 sjp.co.uk/responsiblebusiness

2 sjp.co.uk/about-us/corporate-governance

3 sjp.co.uk/site-services/privacy-policy

Non-financial and sustainability information statement

This section of the Annual Report and Accounts constitutes the St. James's Place non-financial and sustainability information statement, produced to comply with sections 414CA and 414CB of the Companies Act 2006. The following table sets out where, within our Annual Report and Accounts, we provide further detail on matters required to be disclosed under the sections of these sections of the Companies Act 2006. In particular, it covers the impact we have on the environment, our employees, social matters, human rights, anti-corruption and anti-bribery matters, policies pursued and the outcome of those policies, and principal risks that may arise from the Company's operations and how we manage these, to the extent necessary for an understanding of the Company's development, performance and position and the impact of its activity.

Reporting requirement	Relevant policies, ¹ documents, or reports that set out our approach	Section(s) and page(s)
Anti-bribery and corruption	<ul style="list-style-type: none"> ◆ Group financial crime prevention policy ◆ SJP anti-bribery and corruption policy statement 	Our responsible business (page 50), Report of the Group Audit Committee (page 84)
Business model		Our business model (pages 07 to 10)
Climate-related financial disclosures	<ul style="list-style-type: none"> ◆ Climate report 2024 	Governance structure (pages 49 and 59), systems and processes (pages 30 to 34), integration with wider risk management (page 34), material risks and opportunities and time periods (page 34 and 42), impact of material risks and opportunities (page 34 and 42), resilience assessment (page 43), targets (page 41 and 44), measuring progress (pages 44 to 45 and 213 to 214)
Employees	<ul style="list-style-type: none"> ◆ Speak up policy ◆ Inclusion and diversity policy ◆ Health and safety policy ◆ Equal opportunities policy ◆ Employee handbook ◆ Employee reward policy ◆ Flexible working policy 	Our responsible business (pages 47 to 48, 50, and 209 to 212), risk and control management (page 31), section 172(1) statement (page 59 and 63), Board performance review (page 71), Report of the Group Risk Committee (page 89), Report of the Group Nomination and Governance Committee (pages 74 to 75), Directors' report (page 128)
Environmental matters	<ul style="list-style-type: none"> ◆ Outsourcer and supplier management policy ◆ Zero waste to landfill policy ◆ Climate report 2024 	Our responsible business (pages 39, 41 to 46 and 49), risk and control management (pages 34 to 38)
Non-financial key performance indicators		Our business model (page 07), our responsible business (pages 39 to 50), Report of the Group Audit Committee (pages 80 to 81)
Principal risks	<ul style="list-style-type: none"> ◆ Risk management framework ◆ Group risk appetite statement 	Risk and control management (pages 35 to 37)
Respect for human rights	<ul style="list-style-type: none"> ◆ Group human rights policy ◆ Speak up policy ◆ Modern slavery statement ◆ Grievance procedure policy ◆ Equal opportunities policy 	Our responsible business (pages 47 to 48 and 50)
Social matters	<ul style="list-style-type: none"> ◆ Group financial crime prevention policy ◆ Community engagement and volunteering policy ◆ GDPR and data protection policy 	Our responsible business (pages 39 to 40 and 47 to 50), Section 172(1) statement (page 60), corporate governance report (pages 58 to 63), Report of the Group Nomination and Governance Committee (pages 72 to 75)

¹ Group policies are regularly reviewed and third line monitors adherence.

Approval of the strategic report

As part of the Annual Report and Accounts by the Directors it is a statutory requirement to produce a strategic report.

The purpose of the report is:

- ♦ to inform members of the Company and help them assess how the Directors have performed their duty under section 172(1) of the Companies Act 2006 (duty to promote the success of the Company).

The objective of the report is to provide shareholders with an analysis of the Company's past performance, to impart insight into its business model, strategies, objectives and principal risks, and to provide context for the financial statements in the Annual Report and Accounts.

The Directors consider that the report meets the statutory purpose and objectives of the strategic report.

On behalf of the Board:

Mark FitzPatrick
Chief Executive Officer

26 February 2025

Caroline Waddington
Chief Financial Officer

Governance

Corporate governance report	54
Board of Directors	55
Section 172(1) statement	58
The role of the Board and its responsibilities	64
Board composition, succession and evaluation	66
Report of the Group Nomination and Governance Committee	72
Report of the Group Audit Committee	76
Report of the Group Risk Committee	85
Report of the Group Remuneration Committee	91
Directors' report	127
Statement of Directors' responsibilities	130



Invaluable advice making the retirement dream a reality

Mark and Blanche Sainsbury live on the Gower Peninsula in Wales. Expert financial advice has allowed them to reap the rewards of the huge effort they put in during their working lives.

→ Watch and read Mark and Blanche's and other stories

47%

Of people say that taking financial advice has **enabled them to reach a specific life goal or tackle one of life's hurdles.**

→ Find out more in our Real Life Advice Report

Corporate governance

As a responsible business, we seek to operate with the highest standards of corporate governance, balancing the interests of a broad range of stakeholders in our decision-making. Robust and proportionate governance remains critical to the successful delivery of our strategy.

This report consolidates governance reporting, providing context that explains how the Company's governance arrangements, and the Board's activities, have contributed to the delivery of our strategy. As a result, you will find reporting that may be found elsewhere in other companies' reports, including the section 172(1) statement.

Links between elements of this report and more detailed examples in the strategic report that seek to outline our approaches to themes within the Code are highlighted throughout.

Paul Manduca
Chair

The UK Corporate Governance Code 2018

The corporate governance report on pages 54 to 71 explains how the Board leads the Company's approach to corporate governance, including an explanation that would enable shareholders to evaluate how the principles of the Financial Reporting Council's UK Corporate Governance Code (the Code) have been applied in practice.

The Board considers that the Company has complied with all of the principles and provisions of the Code (available at: www.frc.org.uk) during 2024.

In this section

1

Board leadership and Company purpose (section 172(1) statement)

→ pages 55 to 63

2

Role of the Board and its responsibilities

→ pages 64 to 65

3

Board composition, succession and evaluation

→ pages 66 to 71 and also the Report of the Group Nomination and Governance Committee on pages 72 to 75

4

Audit, risk and internal control

→ See the Report of the Group Audit Committee and the Report of the Group Risk Committee on pages 76 to 90

5

Remuneration

→ See the Report of the Group Remuneration Committee on pages 91 to 126

Board of Directors

- NC** Member of Group Nomination and Governance Committee
- AC** Member of Group Audit Committee
- RK** Member of Group Risk Committee
- RM** Member of Group Remuneration Committee
- Denotes Chair of Committee

→ Full biographical details of each Director can be found here



Paul Manduca



Chair of the Board

Date of appointment

Chair May 2021.
Non-executive Director January 2021.

Experience

Paul joined from Prudential plc, where he was chairman for eight and a half years.

He was also previously chair of Aon UK Limited, JPM European Smaller Companies Investment Trust plc and Templeton Emerging Markets Investment Trust plc. Paul was the senior independent director of Wm Morrison Supermarkets Plc, a non-executive director of KazMunaiGas Exploration & Production and chair of Henderson Diversified Income Limited. Prior to this, he served as founding chief executive officer of Threadneedle Asset Management Limited, director of Eagle Star and Allied Dunbar, chief executive officer, Europe of Deutsche Asset Management, global chief executive officer of Rothschild Asset Management, chair of Bridgewell Group plc and was a director of Henderson Small Companies Investment Trust plc.

External appointments

Paul is currently chair of W.A.G. Payment Solutions Plc.



Mark FitzPatrick

Chief Executive Officer

Date of appointment

Chief Executive Officer December 2023.

Experience

Mark started his career with Deloitte in Cape Town, becoming a partner in 1997. He remained with Deloitte for 25 years building his industry focus in financial services in the UK, Europe and South Africa. He became group chief financial officer at Prudential plc in July 2017, before his role was broadened to include chief operating officer. He was appointed interim chief executive officer of Prudential plc in April 2022, standing down on 24 February 2023.

External appointments

Mark chairs the audit and risk committees of the British Heart Foundation and is chair of the audit committee for the Scottish Mortgage Investment Trust.



Caroline Waddington

Chief Financial Officer

Date of appointment

Chief Financial Officer September 2024.

Experience

A chartered accountant, Caroline began her career at Coopers & Lybrand. She subsequently held senior finance roles at Barclays Capital, RBS and Deutsche Bank before becoming chief financial officer for UK and EMEA at Credit Suisse. More recently she was chief financial officer for UBS Group's UK Credit Suisse entities, as well as chief operating officer for Credit Suisse International.

External appointments

Trustee and member of the board and finance & audit committee of St Giles Trust.

Board of Directors continued

- NC** Member of Group Nomination and Governance Committee
- AC** Member of Group Audit Committee
- RK** Member of Group Risk Committee
- RM** Member of Group Remuneration Committee
- Denotes Chair of Committee

→ Full biographical details of each Director can be found here



Emma Griffin

NC RK RM

Independent Non-executive Director

Date of appointment

Non-executive Director February 2020.

Experience

Emma has previously been a non-executive director of SDCL Energy Efficient Income Trust plc, EDF Man Holdings Limited, AIMIA Inc and Enterra Holdings. From 2002 to 2013, Emma was a founding partner of the stockbroking firm Oriel Securities, which was sold to Stifel Corporation. In her early career Emma worked at HSBC, James Capel and Schroders.

External appointments

Emma is currently a non-executive director of N.M. Rothschild & Sons Limited. She is also a non-executive director and chair of the Investment Committee of Industrial Alliance Financial Group, one of Canada's largest insurance and wealth management companies, listed on the TSX. She is also a non-executive director of the private investment company Claridge and of one of its key holdings, Solotech.



John Hitchins

NC AC RK

Independent Non-executive Director

Date of appointment

Non-executive Director November 2021.

Experience

John has extensive experience of the financial services industry gained through his career as a senior audit partner and his non-executive directorships. John spent 38 years with PricewaterhouseCoopers LLP, specialising in financial services auditing and advisory services, before retiring in 2014. Since retiring from PricewaterhouseCoopers LLP he has undertaken a number of non-executive director roles with financial services companies alongside a role as a senior adviser to the Financial Reporting Council.

External appointments

Non-executive director and chair of the audit committee of Aldermore Group PLC.



Lesley-Ann Nash

AC RK RM

Independent Non-executive Director

Date of appointment

Non-executive Director June 2020.

Experience

Prior to joining the Company, Lesley-Ann stepped down as a director in the Cabinet Office of HM Government, where she spent six years leading a range of large-scale commercial and consumer programmes.

Lesley-Ann was a managing director at Morgan Stanley from 1998 to 2009, having previously worked at UBS and Midland Bank. She is a Fellow of the Chartered Institute of Management Accountants (CIMA). She was a trustee of the North London Hospice for nine years.

External appointments

Lesley-Ann is a non-executive director and chair of the joint nominations and remuneration committee of Homes England, non-executive director and chair of the remuneration committee of Workspace Group plc and non-executive director of the Confederation of British Industry (CBI).

Board of Directors continued

- NC** Member of Group Nomination and Governance Committee
- AC** Member of Group Audit Committee
- RK** Member of Group Risk Committee
- RM** Member of Group Remuneration Committee
- Denotes Chair of Committee



Rosemary Hilary

NC AC RK RM

Independent Non-executive Director

Date of appointment

Non-executive Director October 2019.

Experience

Rosemary was chief internal auditor at TSB Bank from 2013 to 2016 and previously held senior positions at the Financial Services Authority and the Bank of England. Rosemary is a chartered certified accountant, FCCA.

Rosemary was formerly a non-executive director and chair of the audit and risk committee of Record plc, non-executive director, chair of the risk and audit committee and member of the investment committee of the Pension Protection Fund, and a trustee and member of the audit, risk and finance committee of Shelter.

External appointments

Rosemary is a non-executive director and chair of the audit committee of Willis Ltd; and a non-executive director and chair of the risk committee of Vitality Life and Vitality Health. In 2021 she became a trustee of the King's Foundation and chair of its audit and risk committee. She joined the board of the Scottish Building Society in 2022.



Simon Fraser

NC AC RM

Senior Independent Non-executive Director

Date of appointment

Non-executive Director April 2024.
Senior Non-executive Director July 2024.

Experience

Simon started his career as a stockbroker, working for Barclays de Zoete Wedd between 1986-1992, from which he went on to set up an institutional stockbroking business Gerrard Vivian Gray. In 1997 Simon joined Bank of America Merrill Lynch where he remained for the rest of his executive career. From 2004 until his retirement in 2011, Simon was managing director and co-head of corporate broking at Bank of America Merrill Lynch. He stepped down in 2011 to develop a non-executive portfolio. Simon has previously been a senior independent director and chair of the nomination committee at Derwent London plc, senior independent director and chair of the remuneration committee at Lancashire Holdings Ltd and most recently a non-executive director at Legal & General Investment Management Ltd until March 2024.

External appointments

Simon is currently a non-executive director and chair of the remuneration committee for SEGRO plc.



Rooney Anand

RK RM

Independent Non-executive Director

Date of appointment

Non-executive Director January 2025.

Experience

Rooney served as chief executive officer at Greene King and has held non-executive positions as chair of Casual Dining Group and Away Resorts, non-executive director of Drive Assist Holdings and Pursuit Dynamics. He was also senior independent director for Wm Morrison Supermarkets Plc until its sale to private equity.

External appointments

Rooney is non-executive chair of RedCat Pub Company and Purity Soft Drinks. He is also a visiting professor at Aston Business School.

→ Full biographical details of each Director can be found here

Section 172(1) statement

The Board of Directors at St. James's Place plc considers that it has both individually and collectively, acted in a way which would most likely promote the success of the Company for the benefit of its members as a whole, and in doing so have had regard (amongst other matters) to factors A to F, as set out in section 172(1) of the Companies Act 2006 for the decisions taken during the year ended 31 December 2024. In making this statement, the Directors have considered the matters, detailed below.

Factors A to F of section 172(1)

- A** Likely consequences of any decision in the long-term
- B** Interests of the company's employees
- C** Need to foster the company's business relationships with suppliers, customers and others
- D** Impact of the company's operations on the community and environment
- E** Desirability of the company maintaining a reputation for high standards of business conduct
- F** Need to act fairly as between members of the company

Purpose and leadership

The likely consequences of any decisions in the long term and a focus on long-term success

Section 172(1) factor: **A**

The Board's priority is to ensure that the Company generates and preserves value over the long term for all of its stakeholders. Long-term relationships with clients are essential if SJP is to deliver its strategy, and in turn drive long-term value (financial and non-financial) for shareholders and other stakeholders. The Company's purpose and values influence decision-making across the business, and support the Board's aim to make sure that decisions are consistent with strategic objectives and support the long-term success of the Company. Work to enhance values and expected behaviours is underway and our revised values will be built around the key themes of client-centricity, trust, empowerment and empathy.

Our governance framework, explained in more detail on pages 64 and 65, is designed to ensure that the Board, led by the Chair, is able to monitor the sustainability of the business model, performance against strategy, and opportunities and threats as they arise. When reviewing performance against strategy, the Board looks to ensure it continues to align with the Group's culture, which remains vital to the continued success of the Group through setting an appropriate tone from the top, monitoring the business and seeking to both protect it and add value.

The Board continues to align to the Group's commitment to being a responsible business, contributing to wider society, and delivering long-term success to SJP and its stakeholders, by focusing on:

- ◆ providing effective and entrepreneurial leadership and direction to the Group in setting out its purpose, values and strategy overseeing delivery against these, including approving major transactions and initiatives
- ◆ satisfying itself that the purpose, values and strategy are aligned with the Group's culture
- ◆ monitoring financial performance and reporting, and approving/recommending distributions to shareholders
- ◆ setting the Company's risk appetite, assessing the principal and emerging risks facing the Company and ensuring that adequate controls are in place to manage risk effectively
- ◆ ensuring that appropriate and effective succession planning arrangements and remuneration policies are in place
- ◆ implementing and ensuring the effective operation of corporate governance procedures
- ◆ ensuring that good client outcomes are delivered through the combination of the Group's distinctive investment management approach and the provision of high-quality ongoing advice
- ◆ ensuring that necessary resources, policies and practices are in place to meet objectives and measure performance against these objectives.

The strategy, and performance against the strategy, are discussed throughout the Chair's report, Chief Executive Officer's report and strategic report.

Reputation and standards of business conduct

The desirability of the company maintaining a reputation for high standards of business conduct

Section 172(1) factor: **E**

Our business exists to empower clients with invaluable advice to realise bolder ambitions. Our ability to achieve this would be materially impacted if we were unable to demonstrate high standards of business conduct. Failure to maintain appropriate standards of conduct could inevitably lead to poor client outcomes, regulatory sanctions and/or adverse media coverage that could damage SJP's reputation and the value placed on it by all of our stakeholders. Conduct is prominent in our list of principal risks (see pages 35 to 38) and we seek to minimise the risk of harm to clients due to conduct issues through a robust control environment. The Board looks to the Group Risk Committee and the boards of its subsidiaries to monitor conduct risks and provide an appropriate level of assurance to support the Board's decision-making. Our reputation is best protected and improved by ensuring good client outcomes and avoiding conduct issues. Our reputation is also shaped by the image we project. With this in mind, the Board continues to monitor the Group's brand and public relations activities to ensure they align with our purpose and long-term aims, and accurately depict our culture.

Section 172(1) statement continued

Our stakeholders

Section 172(1) factor: **B C D F**

The Group's principal stakeholders include advisers, employees, clients, shareholders, wider society, suppliers and regulators. Successful implementation of our strategy will also deliver against the expectations of our stakeholders. The following sections provide more detail on how we engage with each. Maintaining strong relationships with stakeholders remains important and engagement with stakeholders is assessed on an ongoing basis. Where there is an indication that insufficient insight exists to support the Board's work, adjustments are made.

Accountability for managing climate-related risks and opportunities is owned by the Board and it considers climate as part of the articulation of the Group risk appetite statement, which is referenced throughout the strategic report. The Group risk appetite statement is considered in light of the Group's strategic objectives and the risks which might materially impact the ability to meet those objectives. In 2024 the Board received a comprehensive responsible business update, including a deep dive on climate to inform its decision-making in relation to the updating of our goals.

Not all engagement is directly between stakeholders and the Board. Where engagement is not with the Board, the output informs business-level decisions made by management, an overview of which is fed back to the Board through regular reporting and focus on strategic topics.

Advisers

We communicate and engage with our advisers in a range of ways:

- ◆ Face-to-face through corporate-led and locally arranged events, including individual meetings, regional and national conferences, and our Annual Company Meeting. Our calendar of conferences and events throughout the year provides opportunities to bring together the Partnership and senior management to discuss key business developments.
- ◆ Digitally through communication platforms such as our Partnership intranet, webinars and virtual townhalls.
- ◆ Through our dedicated Partnership consultation platform which runs surveys to gauge sentiment and understand what is important to the Partnership. These are supported by in-person focus groups facilitated by the Wisdom Council to further our understanding of survey response themes and to test key strategic updates.
- ◆ Through the Partnership Advisory Council ('PAC'), a panel of advisers who convene quarterly to provide their perspective on a range of topics and help to shape SJP's future, chaired by the CEO.
- ◆ Through our learning and development opportunities for the Partnership and Academy, we provide structured digital content, face-to-face training and extensive coaching.

Employees

Effective and timely engagement with employees has always been an integral part of our culture, with key examples of employee engagement being:

- ◆ In 2024 we launched our first ever series of quarterly, all-employee townhalls. These provided an opportunity for management and senior leaders to engage colleagues with strategic progress and celebrate high performance and values in action.
- ◆ A digital internal communication platform enabling employees to engage anonymously, so they can be heard and responded to.
- ◆ An annual Group-wide employee engagement survey which enabled us to track how employee sentiment trended over time, the output of which is presented to the Board, to drive community action plans.
- ◆ Our Workforce Engagement Panel, led by Independent Non-executive Director Lesley-Ann Nash, where employee-nominated representatives discuss key strategic topics affecting employees and help develop solutions.
- ◆ The introduction of two new working groups focused on inclusion in the female and ethnic minority experience space (alongside our existing employee network groups), which forms part of our commitment to better understand our challenges and opportunities around inclusivity as an organisation.
- ◆ Plans to build an employee listening programme in 2025, where we will look to bolster both our formal and informal mechanisms for checking in on colleague sentiment – through the introduction of pulse surveys, senior leader 'ask me anything' sessions and cross-functional working groups.
- ◆ We have started work on refreshing and sharpening the focus on our organisational values – with a view to becoming clearer on our expectations and driving a culture of empowerment and accountability.

Section 172(1) statement continued

Clients

Engagement with clients is largely driven through their ongoing relationship with their adviser. This is supplemented by direct engagement through:

- ◆ Client-facing videos from Mark FitzPatrick available on our corporate website and distributed via social media, which explain the key milestones and programmes of work the business is undertaking and their impact on clients.
- ◆ Our annual wealth report survey which measures client sentiment. The 2024 survey received responses from 64,930 clients, representing a 7% response rate. The feedback indicated good client sentiment with 82% positive satisfaction.
- ◆ Our 'SJP Client Community' made up of over 4,000 clients which was established in 2020 with the Wisdom Council. This enables us to better understand what our clients think, feel, and do, and gauge their views on key topics. We can also test their understanding of key communications, ensuring we meet their evolving needs.

Society

We care deeply about the role we play in wider society. 'Society' can be defined broadly and includes for example the government, regulators, suppliers, media, and the wider communities in which we operate. Cultivating strong and mutually beneficial relationships with these groups ensures our values and aims are aligned. Examples of how we engaged with society in 2024 include:

- ◆ We engaged and collaborated with industry bodies, regulators, ministers and wider policymakers to shape policies in ways that directly addressed societal issues, namely the advice gap and access to financial education.
- ◆ In 2024 we commissioned our 'Real Life Advice' research, our largest ever consumer survey into the impact of financial advice on people's lives, including real life advice stories, and attitudes to receiving financial advice. The survey was conducted on our behalf by Opinium from May to August 2024 and covered around 12,000 UK consumers.
- ◆ Reached over 16,000 young people through our financial education programmes, working to support developing young people's knowledge, skills and confidence to make informed and independent financial decisions.
- ◆ Supported 981 charities in communities across the UK and overseas in 2024 through the SJP Charitable Foundation, facilitating positive and lasting impacts on thousands of lives.
- ◆ Continued to meet our responsibilities and commitment under the Prompt Payment Code demonstrating our commitment to good payment practices between ourselves and our suppliers.

Shareholders

We maintain close relationships with shareholders, engaging through:

- ◆ Regular meetings, roadshows and conferences across the year, many of which involve the Chief Executive Officer and/or Chief Financial Officer alongside the Investor Relations team and provide frequent opportunities to gain insights into institutional shareholder views and expectations.
- ◆ As suggested in the Code, the Chair, Senior Independent Director and Committee chairs seek engagement with major shareholders on significant matters as they arise.
- ◆ In 2024, prior to our Annual General Meeting Paul Manduca offered meetings with the top 20 shareholders to discuss the Board's governance, including the appointment of Mark FitzPatrick as Chief Executive Officer, the establishment of the Ongoing Service Evidence provision and the revised charging structure.
- ◆ All Directors are available to meet with shareholders after the Company's Annual General Meeting.

Section 172(1) statement continued

Board activity during 2024

Each year we provide an overview of the key areas of the Board's focus. This is incorporated through our section 172(1) statement which enables us to explain better how each topic aligns with our strategy and how the board considered stakeholder interests in its decision-making. The Board's activities are not limited to the formal Board meetings at which decisions are made. Board decision-making is supported by a much wider range of engagements with the business which include via the work of its committees, organised training and development and specific focus sessions, further details of which can be found later in the corporate governance report. Alongside regular reporting from management and the chairs of committees and subsidiary boards, topics that the Board focused on in 2024 included the Group governance review, Consumer Duty and the Board strategy review. On the next few pages we have given some examples of how this activity in 2024 had regard to the duties under section 172(1).

Consumer Duty

In July 2024, our inaugural set of Consumer Duty board reports were approved by the boards of the Group's subsidiaries that are directly authorised and regulated by the Financial Conduct Authority (FCA).

In line with the Consumer Duty's requirements, each Consumer Duty board report assessed how that company delivered good outcomes, identified areas for improvement, and summarised how the strategy for each company was aligned with the Duty. Actions for improvement are now being implemented, and progress reports being tracked. As is now required under the Duty, and given our traditional focus on delivering good outcomes for our clients, each company will continually identify areas of improvement and take appropriate action.

Throughout the year, the Board, the boards of each company and the Board's principal committees closely monitored progress made in implementing the Duty, particularly with respect to St. James's Place UK plc's closed products, as well as the evidencing of the delivery of good client outcomes. The Group Risk Committee and Group Audit Committee provided channels through which the views of the second and third lines of defence could be considered.

While the directly authorised subsidiaries play an essential role in the delivery of good client outcomes, the Group must ensure that it provides the right organisational leadership and support for subsidiaries to deliver for our clients. As such, the Board has provided both guidance and challenge as to how Group-level constructs such as our leadership framework and strategy, alongside our culture continue to adapt to the Consumer Duty. In addition, the Board, and its committees, ensure that the Group's internal change programmes also focus their transformational efforts on the delivery of good client outcomes.

Importantly, over the last year, particular attention has been given to the ways in which the Group supports our clients in vulnerable circumstances. Our internal processes to record clients' vulnerabilities have been strengthened. A complementary programme of research, support and training – relating to the needs of our clients with vulnerabilities – has further improved our organisational ability to support our clients. In addition, given our position of influence in the advice sector, we have publicly shared our insights about vulnerability through our 'Real Life Advice Report' and our active membership of both TISA and PIFMA.

To further enhance governance of Consumer Duty considerations across our Group, Consumer Duty board champions will be appointed to each subsidiary board. These appointments, which complement John Hitchins' role as Group Non-executive Director Consumer Duty Champion, will help to ensure the management of each subsidiary is challenged to provide robust evidence of good client outcomes and manage risks of poor outcomes, as needed. Considerable work has been undertaken to more explicitly define the specific outcomes that we deliver for clients. Further work is currently underway to embed these specific outcomes across the Group, including ensuring that outcome delivery is adapted to better support our clients in vulnerable circumstances. The Group's approach to Consumer Duty is informed not only by the regular publications and guidance delivered by the FCA, but also from regular direct engagement with them.

Section 172(1) statement continued

Board strategy review

As we reported at the half-year, in 2024 the business review provided the basis from which the Board approved alignment of its recommended strategic choices and redefined purpose. The business review involved engagement and collated feedback from key stakeholders. For employees this included gathering feedback from the Workforce Engagement Panel, focus groups, brand and reputation outputs and the all-employee survey. Feedback was received from clients, the Partnership, regulators and analysts/investors to shape thinking and hypotheses, and shape the direction of travel on outcomes. The Board was closely involved and engaged in collectively overseeing and discussing in detail the business review and received regular updates on development and progress. Board discussions and feedback factored in an overview of the landscape to 2030 including the macroeconomic outlook, key trends and potential areas of growth in the wealth market, potential disruption scenarios and how SJP can become more resilient. The Board provided feedback on emerging strategic choices and direction and this, alongside feedback received in entity board meetings, has been reflected in the strategy.

Our refreshed strategy is underpinned by our redefined purpose, which is to empower clients with invaluable advice to realise bolder ambitions. Sitting underneath our purpose, are four pillars, namely, brilliant basics, differentiated client proposition, leading adviser offering and a performance focused organisation, as set out on page 14 of the Chief Executive Officer's report.

The Board believes that the refreshed strategy and redefined purpose will ensure that SJP remains best placed to capture the market opportunity and is well positioned for further success. Continuing to serve and support the delivery of positive outcomes for stakeholders remains a primary objective for SJP and the Board is confident that the redefined purpose and refreshed strategy supports this.

Group governance review

In 2023, the Group undertook a review of its governance model, recognising that governance arrangements could be enhanced and rationalised to reflect SJP's size, impact, and operating model. Recommended enhancements to the Group's governance framework were approved in 2023, and during 2024 considerable progress was made to implement the key foundations. This includes progress towards:

- ◆ **Revising our corporate structure** – enabling the Board to have clearer oversight over our material legal entities and more closely aligning entity accountabilities.
- ◆ **Evolving the composition of our subsidiary boards** – ensuring board compositions are consistent, balanced and proportionate to the needs of those companies and the Group as a whole.
- ◆ **Establishing a delegation of authority framework** – promoting clearer understanding of the accountabilities and responsibilities of individuals and collective bodies (including SMCR).
- ◆ **Strengthening MI and reporting** – equipping boards and committees with the relevant data and insights to enable robust and effective decision-making.

Work to implement and embed the changes will continue into 2025.

Throughout 2024, the Board welcomed feedback from stakeholders, including employees, Partners and regulators. Regulators attended a Board meeting in April and shared their views on areas of consideration that the Board has since taken on – including strengthening our management team, the composition of our subsidiary boards and the importance of prioritising change programmes to best ensure success and safeguard service to our clients. It also provided an opportunity for the Board to directly share its broader perspectives on the financial services industry, including views from the Company's other stakeholders.

We recognise that governance is not just about 'what' we do, but 'how' we do it. As such, we need to create a cultural environment that welcomes governance and embraces the revised approach. More on our people and culture can be found on the next page.

Section 172(1) statement continued

People and culture

Our refreshed strategy and redefined purpose relies heavily upon us having the right people and culture. During 2024 the Board has continued to monitor the implementation of our people strategy and spent considerable time focusing on employee culture. The Group Risk Committee has also kept a keen eye on people risk, which we recognise as being one of our principal risks, as set out in the Report of the Group Risk Committee on page 89.

We are in the process of sharpening our focus on the culture we want to build as an organisation. A key part of this work is around getting clearer on both the strengths we want to harness – and the challenges we need to face into. As part of this work, we are clarifying and enhancing the values and behaviours we need to build and embedding a culture of empowerment and accountability. When considering the values and desired behaviours it has been essential to capture what was valued by stakeholders and then use these to help shape not only the values but also the leadership competencies that the Board expects of management.

The Board has provided its input alongside other stakeholders, with our final values expected to centre around the key themes of client-centricity, trust, empowerment and empathy. We are in the process of building and refining these through collaboration with colleagues and testing with clients. Once finalised, we will embark on a holistic programme of embedding these more focused values across the employee lifecycle – from attraction and recruitment all the way through to performance assessment and how we reward and recognise our people. This will contribute towards a client-centric culture where individuals feel informed, empowered and accountable for their performance.

In addition to an annual Board deep dive focusing on people and culture, the Board also receives regular management information alongside regular reports from Lesley-Ann Nash as our nominated Non-executive Director for workforce engagement. Looking to the future, enablers have been chosen to help embed culture and values. They have been chosen not only because it is believed they will have the biggest impact, but also because our stakeholders have recognised them as important. The tools to support the Board's monitoring of culture will be enhanced as part of this work with our core KPIs being reviewed to ensure they align. In the meantime, the Board has been keen to also see examples of tactical interventions being employed to safeguard culture.

Throughout 2024 the Board has continued to listen to our people to understand how it feels to work for the Group. Our Workforce Engagement Panel has played a key part in employee engagement and strengthens the feedback loop between the workforce and the Board. Beyond the work of the Panel, a wider engagement plan was being created, anchored around townhalls with planned communications in between. We have also taken the opportunity during 2024 to refresh our speak up policy, supported by a communication plan. This, together with initiatives such as the setting up of female experience and minority ethnic experience working groups will contribute to a better understanding of the challenges faced by employees in the workplace and help to determine actions to improve inclusivity.



The role of the Board and its responsibilities

Powers of Directors

The powers of the Directors are set out in the Company's Articles of Association (the Articles), prescribed by Special Resolutions of the Company and codified in UK company law. The Articles contain, for example, specific provisions and restrictions concerning the Company's power to borrow money. They also provide Directors with authority to allot unissued shares up to pre-determined levels set and approved by shareholders in general meetings. The Articles can be amended by a special resolution of the members of the Company, and a copy can be found on the Company's website. Our shareholders have granted the Directors authority to make charitable donations, and further details on the donations made can be found on page 129.

At the 2024 Annual General Meeting (AGM), shareholders granted authority to the Directors for the purchase by the Company of its own shares. In line with the company's revised approach to shareholder distributions, the Company commenced a share buy-back programme on 27 August 2024, repurchasing ordinary shares, for a total consideration of £32.9 million. The Directors will propose the renewal of this authority at the 2025 AGM.

Further to the powers granted above, the Board maintains a full schedule of matters reserved to it, together with a Group Management Responsibilities Map which includes the senior manager functions and management responsibilities held within each subsidiary of the Group (as applicable).

Division of responsibility

The job descriptions of each Director, including the Chair and Chief Executive Officer, and the division of responsibilities between them are clearly defined and agreed by the Board. The responsibilities of each of the Directors and the role of Company Secretary are summarised below.

The Board

Leadership

Chair

Responsible for the leadership of the Board and its continuing effectiveness; and for ensuring that the Board is satisfied that the Group's purpose, values and strategy align with its culture and that communication between the Executive and Non-executive Directors, as well as with shareholders generally, is effective.

Chief Executive Officer

Responsible for the development and communication of the Group's strategy; for developing and achieving the business objectives; for leading and motivating an effective senior management team; and for ensuring an appropriate culture is adopted in the day-to-day management of the Group.

Chief Financial Officer

Responsible for providing leadership and direction for, and oversight of, the financial, accounting, tax, capital and liquidity activities of the Group; and for maintaining effective investor relations.

Independent oversight

Senior Independent Non-executive Director

Responsible for providing a sounding board for the Chair; for serving as an intermediary for the other Directors, when necessary; for leading the appraisal of the performance of the Chair; and for being available to shareholders as a point of contact if they have concerns which contact through normal channels has failed to resolve or for which such contact is inappropriate.

Independent Non-executive Directors

Responsible for contributing to the entrepreneurial leadership of the Group, within a framework of prudent and effective controls. Non-executive Directors provide independence, impartiality, experience, specialist knowledge and other diverse personal skills and capabilities. In some cases, Non-executive Directors take on additional oversight responsibilities, as is the case in relation to workforce engagement and championing the Consumer Duty.

Company Secretary

Responsible for guiding the Board in meeting the requirements of relevant legislation and regulation and for ensuring that Board procedures are both followed and regularly reviewed.

Directors have access to the advice of the Company Secretary at all times, as well as independent professional advice where needed, in order to assist them in carrying out their duties.

The role of the Board and its responsibilities continued

Planning and preparing

The Chair is responsible for setting the Board agenda together with the Chief Executive Officer and the Company Secretary. The Group's strategy and business plan provide a basis for the forward Board agenda for the year and this is refined as key topics and strategic priorities emerge. The Board's forward agenda is coordinated with those of its committees to ensure that topics are given sufficient coverage in the most appropriate forums.

The Chairs of the various committees and material subsidiaries report on their activity at each Board meeting and liaise with the Chair to ensure items escalated get sufficient time and focus on Board meeting agendas. The Board and other key Director forums are explained in more detail on this page.

The work undertaken by the principal committees appointed by the Board is covered in more detail in the individual committee reports.

Scheduled Board meetings	<p>Scheduled Board meetings follow an agreed format with the final agenda being set by the Chair, Chief Executive Officer and Company Secretary by reference to the forward agenda and having considered key developments since the previous meeting. This approach ensures that coverage of the Board's key responsibilities is balanced against the need to focus on strategic priorities and address topical matters.</p> <p>The papers for each meeting, which include Chief Executive Officer and Chief Financial Officer reports covering key developments in the business and performance indicators, are sent to the Board a week ahead of the meeting. This ensures that the information is timely and that the Directors are able to prepare for the meetings.</p> <p>The Board's forward agenda is also coordinated with those of its committees. The chairs of the various committees and material subsidiaries report on their activity at each Board meeting and liaise with the Chair to ensure items escalated get sufficient time and focus on Board meeting agendas.</p>
Ad-hoc Board meetings	From time to time, the Board is required to hold meetings outside its planned schedule, to consider topics that require immediate attention or to approve Board appointments or transactions.
Board dinners	Board dinners provide valuable opportunities to deepen relationships, trust and rapport, and help the Board to develop greater unity, alignment and resilience. Dinners are usually held around Board meetings and allow for informal unstructured engagement, as well as the chance to meet and hear from other members of the management team or guests from outside the business.
Strategy meetings	A focused strategy meeting is usually held each year during the delivery periods in the strategy cycle to enable the Board and management to reflect on, debate and refine the existing Group's strategy. The Board is more closely and regularly involved when strategy is being set, meaning these meetings may be replaced by a number of other meetings focusing on specific aspects being considered for the future strategy.
Non-executive Director meetings	The independent Non-executive Directors meet privately with the Chair during the year to consider matters arising from Board meetings. They also meet without the Chair to consider his performance.
Development sessions and deep dives	Directors are provided with development sessions and deep dives on specific topics during the year, either to support their understanding of key facets of the business, or wider trends and developments that are influencing the Board's agenda.
Other meetings	The Board also appoints ad-hoc committees from time to time to manage procedural matters.

Board composition, succession and evaluation

Composition

The balance of skills, experience, knowledge, independence and diversity on the Board is reviewed annually or when appointments are considered and is the responsibility of the Nomination and Governance Committee who assess Non-executive Directors on a collective and individual basis. The Nomination and Governance Committee regularly reviews composition and succession planning and Non-executive Director recruitment priorities, leads the process for Board appointments and makes recommendations to the Board. Biographies for each Director, including details of the skills, experience and knowledge they bring to the Board, their board committee memberships and other principal appointments can be found on pages 55 to 57.

Diversity

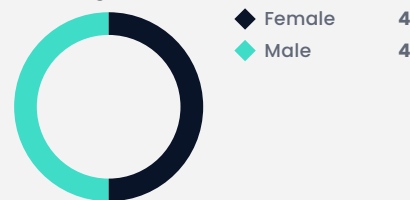
Embracing diversity is important and the Board recognises the benefits of diversity in all forms. The Board diversity policy aims to consider diversity in the widest sense rather than focusing only on specific aspects of diversity, to ensure that the Board composition features a range of perspectives, insights and the cognitive diversity needed for good decision-making.

The Board is clear that it has a key role in overseeing and supporting the drive for diversity at all levels of the organisation. The benefit of diversity of thought is not achieved simply by meeting targets, however, and the Board and Group Nomination and Governance Committee are cognisant that the underlying committees and subsidiary boards will broadly be reflective of the overall diversity across the Group. Each of those committees and boards will have smaller memberships (where individual changes

could have material impacts on diversity ratios) and could require specific skills or experience which are vested in a smaller subset of existing Directors and managers. We are also aware that diversity based on demographic factors can be easier to demonstrate than the diversity of backgrounds and cognitive diversity which help to shape the multi-dimensional conversations and the debates we experience in Board meetings. The broad range of backgrounds and experiences on our Board, gained both within and outside the financial services sector, supports wide-ranging conversations that reflect and recognise the interests of all of our stakeholders. Further information on inclusion and diversity can be found in the Report of the Group Nomination and Governance Committee on page 74.

Board composition¹

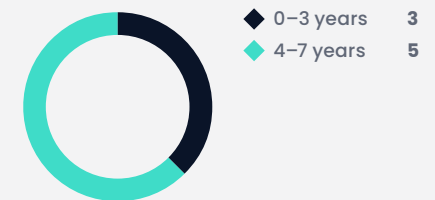
Board gender



Board ethnicity



Board tenure



¹ This information is at 31 December 2024.

Board composition, succession and evaluation continued

Succession planning

The Nomination and Governance Committee is responsible for ensuring that plans are in place for orderly succession to both Board and senior management positions and oversees the development of a diverse pipeline for succession. More information about the work of the Group Nomination and Governance Committee on succession planning can be found on pages 73 and 74. All Directors are subject to annual re-election or election at the Company's Annual General Meeting.

Independence

The Nomination and Governance Committee carefully considers the independence of the Board and determined that the Chair was independent on appointment and believes that all of the Non-executive Directors continue to demonstrate their independence. When determining independence, the Board considers each individual against the criteria set out in the Code and also considers how they conduct themselves in Board meetings, including how they exercise judgement and independent thinking. Further information can be found in the Report of the Group Nomination and Governance Committee on page 75.

Board and Committee structure and attendance

Our Non-executive Board Committees

The Board has appointed four principal Non-executive Committees. The Chair of the Board is a member of, and chairs, the Group Nomination and Governance Committee. All of the other members of these Committees are independent Non-executive Directors. Further information on these Committees can be found in their separate reports on pages 72 to 126.

Attendance in 2024¹

◆ Attendance ◇ Non-attendance

Director	Board (total 6)	Audit (total 6)	Risk (total 5)	Nomination and Governance (total 3)	Remuneration (total 5)
Dominic Burke (SID) ²	–	◆	–	–	–
Mark FitzPatrick (CEO)	◆◆◆◆◆◆	–	–	–	–
Simon Fraser (SID) ³	◆◆◆◆	◆◆◆◇	–	◆	◆◆◆
Craig Gentle (CFO) ⁴	◆◆◆◆	–	–	–	–
Emma Griffin	◆◆◆◆◆◆	–	◆◆◆◆◆	◆◆◆	◆◆◆◆◆ (Chair)
Rosemary Hilary	◆◆◆◆◆◆	◆◆◆◆◆◆	◆◆◆◆◆ (Chair)	◆◆◆	◆◆◆◆◆
John Hitchins	◆◆◆◆◆◆	◆◆◆◆◆◆ (Chair)	◆◆◆◆◆	◆◆◆	–
Paul Manduca (Chair)	◆◆◆◆◆◆ (Chair)	–	–	◆◆◆ (Chair)	–
Lesley-Ann Nash ⁵	◆◆◆◆◆◆	◆◆◆◆◆◇	◆◆◆◆◆	–	◆◆◆◆◆
Caroline Waddington (CFO) ⁶	◆◆	–	–	–	–

1 This table provides details of scheduled meetings held in the 2024 financial year and the attendance at each meeting of the members of the Board and each committee.


2 Dominic Burke stepped down from all of the committees on 31 January 2024.

3 Simon Fraser was appointed to the Board on 22 April 2024 and appointed as SID and member of Group Nomination and Governance Committee on 16 July 2024. Simon Fraser's absences as indicated in this table are attributable to pre-existing commitments at the date of appointment.

4 Craig Gentle retired on 11 October 2024.

5 Lesley-Ann Nash's absence as indicated in this table is attributable to unforeseen circumstances.


6 Caroline Waddington was appointed on 16 September 2024.



Group Audit Committee

Chair:
John Hitchins


Report on page 76



Group Risk Committee

Chair:
Rosemary Hilary


Report on page 85



Group Nomination and Governance Committee

Chair:
Paul Manduca

Report on page 72



Group Remuneration Committee

Chair:
Emma Griffin

Report on page 91

Board composition, succession and evaluation continued

Other forums reporting to the Board

In addition to the wholly Non-executive Director Committees, the Board has also delegated specific responsibilities to three further committees. The terms of reference of these forums are regularly reviewed and are included in the Group Management Responsibilities Map.

Forum and purpose

Group Defence Committee

Comprises the Chair, Senior Independent Director, Chief Executive Officer and Chief Financial Officer and its purpose is to monitor dealing in the Company's shares with a view to being prepared in the event of a formal bid for ownership of the Company, and to oversee engagement with activist investors.

Group Disclosure Committee

Comprises the Executive Directors and is responsible for assisting the Board with ensuring timely and accurate disclosure of all information required is disclosed to meet the legal and regulatory obligations and requirements under the UK Market Abuse Regulation, the UKLA's Listing Rules and the Disclosure Guidance and Transparency Rules.

Group Share Scheme Committee

Comprises the Executive Directors and its purpose is to assist the Board in fulfilling its responsibilities for operating and administering executive, employee, adviser and restricted share plans.

Directors' appointments

The Board has a responsibility to ensure that appropriate succession plans are in place for the Board and senior management. Details of progress made in the year can be found in the Report of the Group Nomination and Governance Committee. A summary of key aspects of Directors' appointments is set out below:

Appointment, replacement and re-election of Directors

The Articles permit Directors to appoint additional Directors and to fill casual vacancies. Any Directors appointed must stand for election at the first AGM following their appointment. All other Directors will stand for re-election at each AGM. Directors can be removed from office by an ordinary resolution of shareholders or in certain other circumstances as set out in the Articles.

Before a Director is proposed for re-election by shareholders, the Chair considers whether their performance continues to be effective and whether they demonstrate commitment to the role. After careful consideration, the Chair is pleased to support the Board's recommendations to re-elect all Directors at the forthcoming AGM, except for Emma Griffin and Lesley-Ann Nash who have decided to step down from the Board and will not seek re-election at the 2025 AGM. Each Director brings significant skills to the Board as a result of their varied careers and we believe that this diversity is essential to the mix of skills, knowledge and experience needed by the Board and its Committees in order to protect the interests of the Company's shareholders. Further information can be found in the Notice of Meeting for the forthcoming AGM.

Duration of appointments

Non-executive Directors are appointed for a specified term and the Executive Directors have service contracts. Copies of the terms and conditions of appointment of all Directors are available for inspection at the registered office address and will be available for inspection at the Company's AGM.

Terms of appointment

The Executive Directors have service contracts with the Company that provide for termination on 12 months' notice from either the Company or the Director (except in certain exceptional recruitment situations where a shorter or longer notice period from the Company may be set, provided it reduces to a maximum of 12 months within a specified time limit). Service contracts do not contain a fixed end date. The Company does not have agreements with any Director or employee that would provide compensation for loss of office or employment resulting from a takeover, except that provisions in the Company's share schemes may, in certain circumstances, cause share awards granted to employees under such schemes to vest on a takeover.

Board composition, succession and evaluation continued

Time commitments	<p>Non-executive Directors are expected to commit sufficient time to enable them to undertake their responsibilities and, as explained in the Report of the Group Nomination and Governance Committee, their capacity to fulfil their responsibilities is reviewed on an ongoing basis so that the Board can be satisfied that each Non-executive Director commits sufficient time to the business of the Company.</p> <p>Paul Manduca was appointed as Chair in May 2021 and devotes a significant proportion of his time to the role. In conjunction with the Senior Independent Director, he regularly assesses his commitments and continues to manage his portfolio of other activities to ensure that he has sufficient time to meet the requirements of the position. He currently also chairs W.A.G Payment Solutions Plc. He had a full attendance record at the Company's Board meetings in 2024 and also attended all Board Committee meetings, in addition to spending a substantial amount of time engaging with the business outside formal Board and Committee meetings. Whilst Paul is the chair of another quoted company board, the Board is satisfied that he commits sufficient time to the business of the Company and will be able to do so throughout the remainder of his tenure.</p>
Conflicts of interest	<p>The Board has in place procedures for the management of conflicts of interest. In the event a Director becomes aware of an actual or potential conflict of interest, they must disclose this to the Board immediately. The Board then considers the potential conflict of interest based on its particular facts, and decides whether to authorise the existence of the potential conflict and/or impose conditions on such authorisation if it believes this to be in the best interests of the Company. Internal controls also exist to conduct regular checks to ensure that the Directors have disclosed material interests appropriately.</p> <p>No Director has, or has had during the year under review, any material interest in any contract or arrangement with the Company or any of its subsidiaries.</p>
Directors' and officers' indemnity and insurance	<p>The Company has taken out insurance covering Directors and officers against liabilities they may incur in their capacity as Directors or officers of the Company and its subsidiaries. The Company has granted indemnities to all of its Directors in their capacities as Directors of the Company and, where applicable, subsidiary companies on terms consistent with the applicable statutory provisions. Qualifying third-party indemnity provisions for the purposes of Section 234 of the Companies Act 2006 were accordingly in force during the course of the financial year ended 31 December 2024, and remain in force at the date of this report.</p>

Board composition, succession and evaluation continued

Directors' development

Inductions for new Directors

Induction plans typically run for around three to six months and are tailored to meet their individual needs based on their existing knowledge and experience, specific aspects relevant to the roles they will be taking up and to address development needs identified at appointment.

An appropriate induction and development programme is designed to enable all new Directors to meet senior management, understand the business and future strategy, visit various office locations and speak directly to advisers and employees around the country, as well as being introduced to other key stakeholders. The programmes are centred on three key elements which are summarised below:

Element	What the element provides
Information and materials	Directors are provided with a comprehensive library of key documents covering the Group's history, constitution, governance framework, corporate reporting, policies, key business areas and much more. This helps Directors to build their knowledge of SJP, highlights areas of further interest and provides a reference library to consult as and when appropriate.
Individual meetings	Meetings are arranged with specific employees and the Board's advisers to explore in more detail aspects of the business and to provide the opportunity to build relationships that will support the Directors going forward. Where a Director will be carrying out a role on a specific board or committee, specific meetings and development sessions will be set up to support the Director's understanding of matters relevant to that role.
Meeting attendance	Directors are invited to attend meetings of committees of the Board that they do not sit on, the boards of material subsidiaries and, where appropriate, other corporate events and forums that will increase their understanding of the Group. Attendance at these meetings provides an opportunity for Directors to observe the Group's governance in action and familiarise themselves with some of the key and emerging themes across the Group.

Continuing professional development

The Chair and Company Secretary ensure continuing professional development for all Directors, based on their individual requirements. This is achieved through a wide range of approaches:

Approach	Examples in 2024
Specific development sessions and training	Specific development sessions have been provided for the Directors during the year. The sessions are led by a mixture of internal and external subject matter experts and in 2024 included a session on Market Abuse Regulations and a deep dive on the Partnership. The development sessions provide Directors with opportunities to engage with employees from departments across the business and advisers to augment their knowledge of the business, the marketplace and the regulatory environment. The Group Audit Committee also holds development sessions to support the Committee's understanding of topics relevant to it, including developments in audit and corporate governance reform and how these would impact SJP, which are outlined in the Group Audit Committee report on page 77.
Visits to head office, other locations and service providers to meet with employees and members of the Partnership	During 2024 Directors visited SJP offices both to attend Board and Committee meetings and as part of their ongoing engagement with management and employees. The Directors were also able to attend a number of conferences held for advisers.
Attendance at subsidiary board meetings, executive committees and management forums	Periodically, some Non-executive Directors attend meetings of the boards of subsidiary companies and they are also invited to attend other management forums where appropriate and relevant.
Attendance at seminars or other events which assist Directors in carrying out their duties	Directors receive invitations from time to time to attend seminars and conferences that provide opportunities to network and enhance their knowledge and experience.

Board composition, succession and evaluation continued

Board performance

Progress since the 2023 Board effectiveness review

The 2023 review was the last in a three-year programme facilitated by Independent Audit and, as reported in last year's Report, identified as areas of focus: Board environment; Board composition; decision-making and stakeholder relationships. Whilst both the Board and the organisation have experienced significant change during 2024, the Board has sought to address these areas of focus.

Deliberate and consistent efforts have been made to further strengthen relationships between Non-executive Directors and management, building in both formal and informal opportunities to spend time together, including via regular one-to-one meetings. The focus on succession planning is evident in the changes that have already taken place, and the Group Nomination and Governance Committee is increasing its focus on its longer-term succession planning and balancing the workload of the Group's Non-executive Directors. The arrival of a new Chief Executive Officer and Chief Financial Officer, together with further changes to the management team have brought fresh eyes. Increased formality in agenda setting and focus on management information and reporting are also contributing to stronger decision-making. There has also been increased focus on how we engage with our stakeholders and more information can be found on pages 59 to 60.

The 2024 Board performance review

Following a formal tender process, the Board, on the recommendation of the Group Nomination and Governance Committee, has appointed Independent Board Evaluation to carry out an externally facilitated performance review programme that will run for the next three years. Noting the changes at Board level over the past year it was agreed that, as it was early days to assess the 'business as usual' performance of the Board, the 2024 review would be a light touch assessment, paving the way for a further, comprehensive review process in 2025.

A thorough brief was given to the assessment team by the Chair, the Chief Executive Officer, and the Company Secretary in September 2024. The lead evaluator observed main Board and Committee meetings in July, September, October and November and support materials for briefing purposes were provided by the Company. Detailed interviews were conducted with every Board member, with further interviews conducted with members of the senior management team and advisers. Draft conclusions were discussed with the Chair and subsequently discussed with the Board at its meeting on 21 November with the lead evaluator present.

The lead evaluator discussed the Board's feedback for the Chair with the Senior Independent Director and provided the Chair with a report with feedback on individual Directors' performance as an input to the regular annual performance review process.

The review highlighted a number of findings which will form the basis of an action plan for the Board in 2025. Amongst the findings, the key themes were:

Risk management – the Board should look to stand back and consider what realistically has the potential to destroy the business, both from a financial and cultural perspective. Given the scale of change, materiality and focus were critical for the Board in the year ahead.

Board and organisation culture – The Board needed to mirror what it wanted to see in the organisation. It would do so by increasing its presence, being more active and visible to management and employees. Any gaps would be obvious, especially for those spending time with the Board and its Committees.

Succession planning – The Board should continue its strong focus on succession planning at main Board and subsidiary level, evolving that in line with the Group's longer-term strategy.

By order of the Board:

Paul Manduca
Chair

26 February 2025

Report of the Group Nomination and Governance Committee



Paul Manduca

Group Nomination and Governance Committee membership

Member and date joined Committee

Paul Manduca (Chair)
1 January 2021

Rosemary Hilary
22 July 2020

Emma Griffin
18 May 2023

John Hitchins
18 May 2023

Simon Fraser
16 July 2024

The Committee's terms of reference set out the Committee's role and authority and can be found on the corporate website at sjp.co.uk/corporate-governance.

Key objective of the Committee

The Committee has overall responsibility for planning Board and overseeing senior executive succession, leading the process for new appointments of Directors and ensuring that these appointments bring the required skills, knowledge, experience and diversity to the Board. The Committee is also responsible for overseeing the Group's governance arrangements, taking into consideration the structure, size and composition of all its boards and committees to ensure they are made up of the right people with the necessary skills, knowledge and experience to direct the Group in the successful execution of its strategy.

Regular attendees at meetings

The Chief Executive Officer, Company Secretary and representatives of external consultants are regular attendees.

Dear Shareholder,

Membership of the Board continued to evolve in 2024 as we welcomed Simon Fraser and Caroline Waddington as our new Senior Independent Director and Chief Financial Officer. Both appointments augment the existing experience of the Board and bring fresh eyes and challenge around the Board table, ensuring we continue to benefit from diverse perspectives and the wider experience they have gained in their careers to date. Rooney Anand also joined the Board from 1 January 2025 bringing with him important experience that will further strengthen the Board.

Simon and Caroline's appointments arise from our Board and management succession plans, and our short- and medium-term succession planning is an area of focus for the Committee. The Committee has noted that the average tenure of non-executive directors on listed company boards appears to be shortening. As a result, succession planning has become more important in ensuring that anticipated and unforeseen changes in Directors do not adversely impact the Board's capacity and capability to make balanced and informed decisions safe in the knowledge that it has appropriate diversity and experience. The remit of the Committee extends to the non-executive membership of the Group's subsidiary companies, with independent directors becoming more common on subsidiary boards in the financial services sector.

This is an area of increased focus for the Committee as it seeks to maintain the right balance of independence and alignment with the Group's governance framework.

Inclusion and Diversity is a prominent focus of the Committee and, in addition to forming an important aspect of our succession planning, remains an aspect of the business as a whole that the Committee monitors closely. During the year, we updated the Group's inclusion and diversity policy and our own Board diversity policy and continued to monitor progress against our inclusion and diversity strategy and stated public commitments. We report against the new UK Listing Rules relating to board diversity and this can be found on pages 74 and 75.

During the year, the Board appointed Independent Board Evaluation to carry out an externally facilitated performance review programme that will run for the next three years. Committing to a three-year programme will provide continuity and enable the Board to track progress against consistent reference points, as well as providing ongoing access to the knowledge and experience that Independent Board Evaluation has built up. Further details on both the 2023 and 2024 reviews can be found in the corporate governance report on page 71.

I look forward to reporting on further progress as we continue our work in 2025.

Paul Manduca
On behalf of the Group Nomination and Governance Committee

26 February 2025

Report of the Group Nomination and Governance Committee continued

Key corporate reporting topics

Topic	Summary of activity	Find out more
Board composition	The Committee remained focused on the longer-term succession planning for Non-executive Directors and oversaw the process of appointing additional Non-executive Directors.	 Page 73
Committee and subsidiary board compositions	The composition of the Board's principal committees and subsidiaries is kept under regular review and changes were made during the year to ensure appropriate balance of membership.	 Page 67
Management succession	The Committee recommended to the Board the appointment of Caroline Waddington as Craig Gentle's successor as Chief Financial Officer. The Committee continues to monitor the plans for members of the Group Executive Committee and key personnel.	 Page 74
Inclusion and diversity	The Committee continued to assess the progress made against the inclusion and diversity strategy and SJP's commitments. The Board diversity policy and the inclusion and diversity policy have also been reviewed and updated.	 Page 74
Group governance	The Committee continued to monitor developments that impacted the Group's governance framework and the overall operation of Group governance.	 Page 74
Board effectiveness	The Committee kept under review the progress made against the actions identified in the 2023 Board effectiveness review and agreed the provider and scope for the 2024 Board Performance review.	 Page 71

Operation and performance of the Committee

The Committee is comprised of the Chair of the Board and four independent Non-executive Directors, who between them are also the chairs of the Group Nomination and Governance, Audit, Risk and Remuneration Committees and the Senior Independent Director. Membership of the Committee, alongside the Board's other Committees, was reviewed in 2024. Following the departure of Dominic Burke and the receipt of regulatory approval, Simon Fraser joined the Committee on 16 July 2024. The Committee's effectiveness was considered as part of the Board's overall assessment of its effectiveness (see page 71) and it remains satisfied that, as a whole, the Committee has the experience and qualifications necessary to perform its role.

Board succession and Committee composition

Following the appointment of a new Chief Executive Officer in 2023, the Committee has overseen in 2024 the appointment of Simon Fraser as Senior Independent Director, Rooney Anand as a Non-executive Director and Caroline Waddington as Chief Financial Officer. The appointments of Simon and Caroline form part of the Board's succession plans, which continue to evolve as the Committee seeks to strengthen its approach to assessing the consideration of the skills and experience needed on the Board over the longer term. As referenced in the findings and outcome of the 2024 Board Performance Review on page 71 this is an area of focus for the Committee for the coming year.

As reported last year, a search had commenced to identify a new Senior Independent Director and a further Non-executive Director. The Committee agreed to engage Russell Reynolds to support the search, recognising that it is a sponsor of the 30% Club and is accredited in the FTSE 350 category of the Enhanced Voluntary Code of Conduct for Executive Search Firms. Russell Reynolds have no connection with the Group or individual directors other than conducting leadership searches. From a diverse long list, shortlists of candidates were interviewed for both roles resulting in Simon Fraser and Rooney Anand being identified as the preferred candidates. Preferred candidates met with other members of the Board ahead of the Committee making a recommendation to the Board. The Board approved Simon and Rooney's appointments which took effect from 22 April 2024 and 1 January 2025, respectively.

The Committee also oversees succession planning for non-executive roles on the Group's subsidiary companies. The demands on and expectations of the boards of our regulated subsidiary companies have increased in recent years and the composition of these boards has increasingly been a focus of the Committee. Striking a balance between maintaining the cohesiveness of the Group and preserving the autonomy and accountability of its subsidiaries is a key consideration for the Committee and it continues to assess on an ongoing basis the most effective means of ensuring the effectiveness of corporate governance across the Group.

Report of the Group Nomination and Governance Committee continued

Executive succession

Whilst the Chief Executive Officer is responsible for succession planning of executive roles, during 2024 he has kept the Committee and the Board apprised of developments. In anticipation of Craig Gentle confirming his intention to retire, Mark FitzPatrick began the search for a successor as the Group's Chief Financial Officer. Having considered potential internal candidates, Spencer Stuart was selected to support in the search for potential external candidates. Spencer Stuart has been recognised by the Human Rights Campaign Foundation's Corporate Equality Index as an Equality 100 organisation and is a signatory to the voluntary code of conduct to address gender diversity on corporate boards. Spencer Stuart have no connection with the Group or individual directors other than conducting leadership searches. Following an extensive and robust search process, which involved interviews and meetings with Directors, Mark recommended Caroline Waddington's appointment to the Committee. The Committee approved the recommendation, and Caroline was appointed as a Director on 16 September 2024. Whilst it is not within the remit of the Committee to determine changes to executives who are not Directors of the Company, it continues to monitor succession planning and Mark has kept both the Committee and the Board updated as changes have been considered and made throughout the year.

Group governance

The Committee continues to play a key role in overseeing the Group's governance arrangements and last year reported that the opportunity had been taken to step back and review both our corporate structure and the governance framework that underpins it. This review resulted in the establishment of a programme of work to enhance the Group's governance framework. Whilst the Committee will remain responsible for oversight of this framework, during the programme of work the Board will also be monitoring implementation. Removing unnecessary duplication is an important aspect of the programme and this has meant that in practice we have sought to avoid the Committee having to also consider updates that had already been considered by the Board. A summary of the progress overseen by the Board during 2024 can be found in the corporate governance statement on page 62.

Inclusion and diversity

Inclusion and diversity is an important aspect of our succession planning and we recognise that if we are to meet our long-term inclusion and diversity aims, it must form a part of our formal plans. During 2024 the Committee approved updates to the Group's inclusion and diversity policy and its own Board diversity policy and has continued to monitor their implementation. Our performance against our inclusion and diversity strategy and the related targets have been factored into executive team bonus performance criteria. There is still more both SJP and the financial services industry as a whole need to do to increase diversity, but we are pleased to have continued to make progress against our stated targets in 2024. During 2024, the number of senior female hires increased by 44% as compared to 2023 and the total representation of women in senior roles increased to 37.3% (2023: 34.4%).

Also during 2024, 22% of external hires identified as minority ethnic which, alongside more employees voluntarily sharing their diversity data with us, has contributed to the total representation of minority ethnic employees increasing to 9.5% (2023: 8.2%). Further information on how the inclusion and diversity policy has been implemented can be found in our responsible business section on page 48. Our latest Gender and Ethnicity Pay Gap report is available on our website at sjp.co.uk/shareholders/esg-reporting-hub.

The Board diversity policy, which was updated in 2024, sets out our own commitment and provides an important part of the Board's succession plans, and the process for recruiting new Directors. As at 31 December 2024 the Board meets the UK Listing Rule UKLR 6.6.6 R(9)(a) requirements as at least one of its members is from an ethnic minority, the Chief Financial Officer is a woman and the percentage of women on the Board was at least 40%. Following Rooney Anand's appointment as a Director of the Company on 1 January 2025 the Company continues to meet the requirements of UKLR 6.6.6 R(9)(a). The information required under UKLR 6.6.6 R(10) and (11) as at 31 December 2024 can be found overleaf.

Report of the Group Nomination and Governance Committee continued

Board and executive management diversity disclosure

	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in executive management	% of executive management
Men	4	50.0%	3	6	54.5%
Women	4	50.0%	1	3	27.3%
Not specified/prefer not to say	0	0.0%	0	2	18.2%
Total population	8	100.0%	4	11	100.0%

	Number of Board members	% of the Board	Number of senior positions on the Board (CEO, CFO, SID & Chair)	Number in executive management	% of executive management
White British or other White (including minority-white groups)	7	88%	4	9	81.8%
Mixed/multiple ethnic groups	0	0%	0	0	0.0%
Asian/Asian British	0	0%	0	0	0.0%
Black/African/Caribbean/Black British	1	13%	0	0	0.0%
Other ethnic group, including Arab	0	0%	0	0	0.0%
Not specified/prefer not to say	0	0%	0	2	18.2%
Total population	8	100.0%	4	11	100.0%

Data on the diversity of the individuals in Executive Management (this includes Group Executive Committee members plus the Company Secretary) is collected through our voluntary employee diversity survey, and from other Board members by self-disclosure directly from the individuals concerned.

Board effectiveness

The Committee has reviewed detailed analysis of the significant other commitments of existing and newly joined Non-executive Directors and how much time was spent on the Company's business and affairs. The Committee and the Board are satisfied that the Non-executive Directors are able to, and do, commit sufficient time and attention to the Company's business. In addition, the Committee reviewed and approved an assessment of the independence of each of the Non-executive Directors, concluding that each of the Non-executive Directors demonstrated that they remained independent in character and judgement. Further information on these conclusions can be found in the Notice of Meeting for the Company's 2025 AGM.

The Committee has monitored progress against the actions that arose from the 2023 Board effectiveness review during 2024 and is satisfied that they have been addressed. During 2024 it also selected Independent Board Evaluation to carry out an externally facilitated performance review programme that will run for the next three years. Further details of the progress made and the 2024 review are set out on page 71. For details on the training and development provided to Directors (including induction programmes) please see page 70.

Report of the Group Audit Committee



John Hitchins

Group Audit Committee membership

Members and date joined Committee

John Hitchins
(Chair from 18 May 2023)
1 January 2022

Simon Fraser
22 April 2024

Rosemary Hilary
17 October 2019

Lesley-Ann Nash¹
31 January 2024

¹ Initially appointed as an interim member of the Committee, then subsequently became a permanent member.

The terms of reference of the Committee set out the Committee's role and authority as Committee for the Company and certain subsidiaries. They can be found on the corporate website at sjp.co.uk/corporate-governance.

Key objective of the Committee

The Committee's primary purpose is to oversee financial reporting, the internal and external audits and the Group's systems of internal control, and to provide guidance and advice on these areas to the Board and, where applicable, other boards and committees in the Group.

Regular attendees at meetings

Chair of the Board; Group CEO; Chair of the SJPUK Board; Chief Financial Officer; Chief Risk Officer; Internal Audit Director; Director, Finance; Director, Financial Reporting; and Senior Statutory Auditor.

Dear Shareholder,

I am pleased to present the Committee's report for the year ended 31 December 2024. The report provides insight into our work over the year and details how we have discharged the responsibilities delegated to us by the Board.

As part of the Group's governance framework the Committee fulfils a vital role in providing valuable independent challenge and oversight across the Group's financial reporting, audit and internal control procedures.

The Committee continues to be conscious of the external environment we are reporting in and is comfortable that appropriate procedures are in place to ensure this has been taken into account as part of the year-end process, which included consideration of the accounting judgements and actuarial assumptions.

A key focus for the Committee this year has been to ensure that the valuation of the Ongoing Service Evidence (OSE) provision remains appropriate. Work in this area included receiving regular updates from management with views sought from the external auditor. Further details are set out later on in this report.

During the latter part of the year the Financial Reporting Council (FRC) selected the Group's FY23 External Audit for review as part of its standard Audit Quality Review inspection. Further detail can be found within the 'Auditor independence, objectivity and effectiveness' section of this report.

The Committee has also been kept updated on the key changes to the UK Corporate Governance Code (the Code), including how the business was managing the relevant changes, and ensured that amendments were made to its terms of reference as appropriate.

Looking ahead to next year, the Committee will continue to monitor the development of the OSE provision and the implementation of the simple, comparable charging structure which was announced during 2023. The Committee will seek updates from management in relation to the accounting for costs arising from the implementation of our cost and efficiency programme. The Committee will also continue to monitor for future developments in accounting regulations, and receive regular progress updates from management on applying the revisions to the Code prior to the relevant application dates.

John Hitchins

On behalf of the Group Audit Committee

26 February 2025

Report of the Group Audit Committee continued

Operation and performance of the Audit Committee

The Chair of the Committee discussed agendas and significant matters separately with the external auditors and the Internal Audit Director in advance of each of the six scheduled meetings, focusing on the key topics set out in its forward work programme. Attendance by Committee members at these meetings is shown on page 67. The Committee also welcomed attendance from other Non-executive Directors, who attended Committee meetings as part of their ongoing development. Private sessions were held with the Internal Audit Director and the external auditors as required, providing an opportunity for matters to be discussed in the absence of management.

Development sessions are held to further enhance the Committee's understanding of key and emerging topics and to provide a platform for the Committee to discuss and consider any impact on the Group. During 2024 these sessions focused on ESG reporting requirements, Pillar Two tax reforms, changes to the UK Corporate Governance Code and an overview of IFRS 18. Committee members also attended external briefings and technical updates, for example those given by the major accounting firms.

The Committee evaluated its own performance and effectiveness over the course of the year and carried out an annual review of its terms of reference. The Committee's effectiveness was also reviewed by the Board as part of the overall assessment of its effectiveness (see page 71). The Board and the Committee remain satisfied that the Committee operated effectively and that, as a whole, the Committee members have the experience and qualifications necessary, noting in particular that the Chair of the Committee is a qualified accountant and former Senior Audit Partner, and that other members also have recent and relevant experience and expertise in the financial services sector. With regard to the Audit Committees and the External Audit: Minimum Standard published by the FRC in May 2023, the Committee is content that it meets the relevant responsibilities set out in the Standard as demonstrated by this report.

The Committee was responsible for carrying out the function required under the FCA's Disclosure and Transparency Rule DTR7.1.3R (Audit Committees) and complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 throughout the year ended 31 December 2024.

Matters considered during the year

The Committee focused on a number of matters which can be grouped under four broad headings: corporate reporting, external audit, internal audit, and internal controls. The following sections illustrate the Committee's activities during the year.

Corporate reporting

Formal Committee meetings, covering the activities set out on pages 78 to 79, are supplemented during the year with informal discussion sessions to review, with management, key messages for both the Annual and Half-Year Report and Accounts, and to explore in more depth any complicated issues emerging. This forum provides Committee members with an opportunity to gain further clarity and understanding.

The significant issues that the Committee considered relating to the financial statements are included in the table on page 80.

Report of the Group Audit Committee continued

The Committee's activities are centred on a rolling cycle of key areas of focus and events as summarised in this timeline:



May

- ◆ Management present their review of the year-end process
- ◆ The Committee reviews the result of the annual evaluation of the external auditors, and considers whether the external auditors continue to be appropriately independent and objective, and effective in the role of external auditor
- ◆ External auditors present their internal control findings from the year-end audit
- ◆ The Money Laundering Reporting Officer (MLRO) presents their annual MLRO report and annual review of systems and controls over bribery and fraud
- ◆ Internal Audit present their annual review and quality assessment of their performance as an operational function, including the effectiveness of their delivery of the audit plan
- ◆ The Whistleblowers' Champion presents their annual report, providing an overview of the operation and effectiveness of the systems and controls in relation to whistleblowing
- ◆ The Committee reviews its terms of reference and evaluates its performance

July

- ◆ Management present the Half-Year Report and Accounts
- ◆ External auditors present their half-year review report
- ◆ Internal Audit present their interim internal controls evaluation

October

- ◆ Internal Audit present their internal audit plan for the following year
- ◆ External auditors present their year-end plan

Report of the Group Audit Committee continued

November

- ◆ Management present their plan for the year-end process, including any technical considerations as well as key judgements
- ◆ External auditors provide a year-end progress update on the audit
- ◆ The MLRO presents their financial crime report, covering the operation and effectiveness of the Group's systems and controls regarding anti-money laundering, counter-terrorist financing, financial sanctions compliance, facilitation of tax evasion, fraud prevention and anti-bribery and corruption
- ◆ Management present the tax strategy for approval

January

- ◆ Management provide a year-end progress update, including key accounting issues and judgements, presenting drafts of narrative sections of the Annual Report and Accounts, Climate report and Solvency II reporting
- ◆ Management present an overview of the unit trust audits
- ◆ External auditors provide a year-end progress update on the audit
- ◆ Group Risk present their findings from the year-end internal controls process
- ◆ Internal Audit present their draft internal controls evaluation

February

- ◆ Management present the final draft Annual Report and Accounts, Climate report and Solvency II reporting, along with the year-end control and compliance reporting, for the Committee to consider recommending to the Board for approval
- ◆ Group Risk present their year-end assessment of risk and controls
- ◆ Internal Audit present their internal controls evaluation
- ◆ External auditors present their findings from the audit and their Auditors' Report, providing confirmation of independence, and the Committee considers recommending to the Board the reappointment of the external auditors at the Company's next AGM

In addition to the items set out in the diagram above, the Committee also received regular updates on the following:

External auditor independence

Progress against the internal audit plan

Internal control

Compliance monitoring

Capital management and financial control breaches

Developments in corporate reporting

Fraud and whistleblowing activity and reports from the Money Laundering Reporting Officer

Key policies

Report of the Group Audit Committee continued

Key corporate reporting topics

Significant issues considered	How these were addressed by the Committee
<p>Accounting judgements and actuarial assumptions Following the recognition of an Ongoing Service Evidence (OSE) provision at 31 December 2023, the Group initiated a project to undertake a review of historic client servicing records. The project has made positive progress in developing systems and processes that will facilitate redress, but at this stage the provision remains a critical judgement.</p> <p>In arriving in at the conclusion that the provision remains a critical judgement, management considered the progress made by the project and the data emerging. Based on this information they reviewed the assumptions and methodology and judged that overall, the valuation remains materially correct.</p>	<p>The Committee sought to understand the conclusions of management in relation to the year end valuation of the OSE provision.</p> <p>In particular, the Committee challenged management to justify that:</p> <ul style="list-style-type: none"> ◆ the methodology used in calculating the provision was appropriate ◆ overall, data available was not indicating that a materially changed OSE provision was appropriate.
<p>Significant increases in reported complaints during 2023, which reached a peak in Q2 2024, created uncertainty around the assessment of the complaints provision. This resulted in the decision to classify the provision as a Critical Estimate for 2024 Half-Year reporting. Since then, the proportion upheld and cost of redress associated with these complaints has reduced, resulting in a marked reduction in the provision at year end.</p>	<p>The Committee challenged management's methodology used to calculate the complaints provision, including the consideration of alternative approaches, and was satisfied that the provision was appropriate.</p>
<p>In 2023 the Group announced its plans to introduce simple, comparable charges and the anticipated impacts were included in the 2023 Solvency II and EEV results. Over the year, propositional details have been refined and this has have been reflected in the 2024 year-end evaluations.</p>	<p>The Committee noted management's assumptions in relation to the treatment of cash flows for Solvency II and EEV, and was in agreement with the approach taken.</p>
<p>In July 2024, as part of its business review the Group announced a cost and efficiency programme, seeking to take around £100 million per annum before tax out of its addressable cost base by 2027. Plans are being developed to deliver the programme by the end of 2026, however at the year end sufficient detail had yet to be communicated to impacted employees and so a provision has not been recognised for the costs of this exercise.</p>	<p>The Committee agreed with the conclusion of management that a constructive obligation did not exist at the year-end and will monitor for further developments.</p>
<p>As part of the year-end exercise management provided a paper to the Committee setting out the key accounting judgements and actuarial assumptions.</p>	<p>The Committee was satisfied with the judgements made in relation to the impairment reviews of the operational readiness prepayment, Partner loans and goodwill, given the prevailing macroeconomic conditions.</p>

'Fair, balanced and understandable' opinion

The Board is required to provide its opinion on whether the Company's Annual Report and Accounts taken as a whole are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

To support the Board in providing its opinion, the Committee carried out a formal review, taking account of investor feedback, commentary from the FRC's annual review of corporate reporting, and management's own assessment. The Committee assessed the quality of financial reporting through discussion with the external auditor, receiving presentations, and discussing key matters with senior financial management.

This process included considering each of the elements (fair, balanced and understandable) on an individual basis to ensure our reporting was comprehensive in a clear and consistent way, and in compliance with accounting standards and regulatory and legal requirements. The external auditor also considered and confirmed agreement with the 'fair, balanced and understandable' statement as part of the audit process.

Following its review, the Committee advised the Board that the Company's Annual Report and Accounts for the year ended 31 December 2024 were fair, balanced and understandable.

Report of the Group Audit Committee continued

External audit

Audit tender

PwC were first appointed in 2009 and were reappointed as the Group's external auditor following a tender process in 2016. The Group will be required to change its audit firm no later than the 2027 audit. Planning for this has begun with a view to completing a competitive tender process by 2026, well ahead of the FY27 audit cycle. The FRC's Audit Committees and the External Audit: Minimum Standard sets out the FRC's expectations and guidelines regarding the tendering for external audit and will be used to support the process.

Auditor activity

To launch PwC's programme of work, the Committee received and agreed their plan for the audit of the 2024 year-end. PwC then provided regular updates on their work, culminating in their overall final report and findings from the year-end audit and the review of the half-year results. The reports were discussed with PwC, and the Committee concurred with management's response to the recommendations identified.

As in previous years, PwC attended all Committee meetings and the Chair of the Committee also regularly met with Gary Shaw, the Group's Senior Statutory Auditor (appointed since May 2022), to receive updates on progress and discuss any private matters.

The Committee asked PwC to pay particular attention to the assessment of the OSE provision and its associated judgements, as well as the provision for complaints, and was satisfied with the results of PwC's work and findings.

Audit quality indicators (AQIs) were discussed and introduced to the audit plan for the first time in 2023. The AQIs were tailored to provide quantitative and qualitative metrics regarding the audit process. They are intended to be long-term measures that are reported over multiple year-ends to enable trends to be identified, reported and discussed with further action and analysis being undertaken as required. The main themes from the FY24 audit were the reduction in the amount of specialist and expert involvement and time compared to the previous year-end due to the introduction of the OSE provision in 2023.

Auditor independence, objectivity and effectiveness

During the year, an internal evaluation was carried out to assess the independence, objectivity and effectiveness of PwC and the effectiveness of the 31 December 2023 audit process. This was conducted in various ways, including: feedback from management involved in the audit; feedback from the Committee; assessing audit quality including a discussion with PwC of how they had addressed any risks to audit quality that they had identified; delivery against the audit plan; and interrogating client administration systems to ensure senior PwC audit team members did not hold any St. James's Place products or shares.

In their audit report to the Committee, PwC confirmed that they remain independent of the Group. Management presented to the Committee the results of its assessment of PwC's independence and objectivity, as part of the annual evaluation of the external auditor covering six key areas: level of audit and non-audit fees including audit fee benchmarking; review of services against the policy on auditor independence to confirm adherence; PwC's policies and processes for maintaining independence which were confirmed via a letter of independence following PwC's own independence assessment; threats to independence and safeguards PwC have applied which were communicated via PwC's letter of independence; employment of former PwC employees; and rotation of key audit personnel. Having reviewed and discussed the results, the Committee was in agreement with management's assessment and concluded that PwC remained independent and objective.

The Committee also noted the results of the FRC's review of PwC for the 2023/24 inspection cycle and observed that PwC's percentage of audits graded as 'good or limited improvements required' was 76% overall and 100% for clients in the FTSE 350.

The FRC selected the Group's FY23 External Audit for review as part of its standard Audit Quality Review (AQR) inspection. The FRC routinely monitors the quality of the audit work of certain UK audit firms through inspections of sample audits and related procedures at individual audit firms. The Committee were pleased to note that the FRC had no key findings in their report and were satisfied with the explanations presented by the external auditors in relation to two points classified in the report as other findings.

The Committee found that PwC demonstrated robust challenge and professional scepticism during the 2024 year-end process and that Gary Shaw had been highly visible and effective as the engagement partner for the Group. PwC continued to provide high-quality output to the Committee, setting out clearly their approach, findings and recommendations. The Committee discussed with PwC the results of their work and challenge of management. The Committee noted in particular the challenges raised in relation to the assessment of the OSE provision and the disclosures required.

Report of the Group Audit Committee continued

The Committee agreed with management's view that PwC were effective in their role as external auditor. Following this evaluation, the Committee recommended that the Board seek the reappointment of PwC as external auditor at the next Annual General Meeting (AGM).

The Committee also reviewed the evaluation of Grant Thornton's performance, in relation to their role as auditors of St. James's Place International plc and contributing to the Group audit by PwC and were satisfied with their performance.

Finally, the Committee was authorised by shareholders at the last AGM to determine the remuneration of the external auditor. As such, the Committee considered and approved the 2024 audit fees. More information on the audit fees can be found in Note 5 to the financial statements.

Non-audit services

During the year the Committee considered proposals for all non-audit services as they arose and received updates at each meeting on fees incurred with PwC for all services. The Committee discussed and approved the non-audit work carried out by PwC, which was limited to audit services relating to the corporate reporting, such as the review of the half-year results, as this work aligned closely with the audit work.

The Committee also carried out its annual review of the Policy on Auditor Independence, noting the changes to the FRC Ethical Standard, with the review resulting in minor changes.

More information on non-audit fees can be found in Note 5 to the financial statements.

Internal Audit

The primary role of Internal Audit is to help the Boards and Executive Management to deliver good client outcomes and protect the assets, reputation and sustainability of SJP through the provision of independent risk-based and objective assurance. Its objective is therefore to drive continuous improvement in these areas. This is set out in the Internal Audit Charter, which defines the purpose, mandate and scope of Internal Audit and explains its primary duties and responsibilities. The Charter was revised during 2024 to reflect the new Global Internal Audit Standards and was approved by the Committee in November 2024.

The Committee oversees the work of the Internal Audit function, which is set out in the risk-based internal audit plan (the Plan). The Plan is approved annually by the Committee in October and, together with a risk-ranked watchlist, remains subject to ongoing strategic and risk assessments throughout the year, with updates and changes to the Plan being discussed and approved by the Committee. The Committee is satisfied that the Plan provides appropriate coverage of SJP's key risks and strategic priorities and is suitably coordinated with assurance activity undertaken in the second line and by the external auditor.

Key topics included in the 2024 Plan included the Consumer Duty implementation, investment risk controls, initial advice processes, proposition oversight and governance, cyber security and operational resilience.

The delivery of the Plan is the responsibility of the Internal Audit Director, who is accountable to the Committee and who meets regularly with the Chair of the Committee and the Chair of the Board. Each internal audit report is sent promptly to all members of the Committee. The Internal Audit Director attends and presents at each meeting, where the Committee discusses the function's key performance indicators, recent audit findings and management's progress in addressing any remedial actions. The Internal Audit Director also meets regularly with the members of the Committee without management present.

Informed by this information, and the results of Internal Audit's robust quality assurance and improvement programme, the Committee annually reviews the objectivity, impact and effectiveness of the Internal Audit function. The assessment in May 2024 concluded that the function meets the needs of the Group, being effective, objective and driving enhancements in the Group's control environment. This was supported by the five-yearly external quality assessment, carried out in October by BDO against global internal audit standards, which concluded that the function is Generally Conformant to the Global Internal Audit Standards and to the Financial Services Code in all the areas assessed, which is the highest rating for an external quality assessment.

The Internal Audit function reports regularly to the Committee on internal controls and risk management. This includes an annual internal controls evaluation which draws together findings from internal audits over the course of the year to provide input to the Committee's own assessment of the effectiveness of the internal control framework. The most recent evaluation was provided at the February 2025 Committee meeting. The Committee reviewed the plans that management has in place for further enhancements to the control framework in specific areas in which Internal Audit has identified that controls require improvement. Progress in these areas will continue to be monitored by Internal Audit and the Committee. For example, work is underway to further enhance the monitoring of client outcomes in some areas of the Group and on ongoing enhancements to the Group's IT general control environment.

The Chair of the Committee, with input from the Chief Executive Officer, is responsible for setting the objectives of the Internal Audit Director, appraising their performance and recommending their remuneration to the Group Remuneration Committee. The Committee also assesses the quality, experience and expertise of the overall internal audit resource and has concluded that this remains appropriate. In addition, Deloitte LLP continues to provide internal audit co-sourcing services for specialist expertise and market insight. Examples of services provided under this contract include subject matter experts such as IT and regulatory specialists, and additional resources to maintain and enhance the level of assurance provided to the Committee.

Report of the Group Audit Committee continued

Whistleblowing

The Board ensures that appropriate arrangements are in place to enable individuals to raise any concerns about illegal or improper behaviour connected to St. James's Place. The Chair of the Committee is a key contact in the speak up policy and is the Whistleblowers' Champion under the Senior Managers and Certification Regime. On behalf of the Board, the Committee reviewed whistleblowing arrangements during the year and received regular updates on activity. Each case was considered when first reported and tracked through at each meeting until satisfactorily concluded. The Committee established that each of the matters had been properly investigated and appropriate actions taken, including any resulting changes to the Group's procedures or systems of control, and that none of the matters was material to the financial position or results of the Group.

Following review and challenge by the Committee, the Annual Whistleblowing Report and the speak up policy were considered by the Board in May 2024. The Board concluded that the whistleblowing arrangements were appropriate, consistently in force across the Group and encouraged the disclosure of relevant concerns, enabling these to be appropriately addressed in a timely manner. The Committee also oversaw the implementation of a new independent third-party reporting hotline.

Internal controls

Systems of internal control

The Board has overall responsibility for ensuring that management maintains comprehensive systems of internal control for managing its principal and emerging risks. On behalf of the Board, the Committee takes responsibility for assessing the effectiveness of the Group's risk management and internal control frameworks, covering all material financial, operational, compliance and reporting controls for the Group and its individual entities. It does this by:

- ◆ overseeing the review of risk and control self-assessments (RCSAs)
- ◆ monitoring the effectiveness of the risk management and internal control framework throughout the year through the quarterly updates provided by management to the Committee.

The Committee, in conjunction with the Group Risk Committee, seeks assurance that the Group operates within a framework of prudent, effective and proportionate controls that facilitate the timely identification, assessment and mitigation of risks. The material controls are designed to manage each inherent risk down to an acceptable level of residual risk which is within tolerance of our stated risk appetite, rather than aiming to eliminate the risk altogether. This approach allows us to recognise that conscious risk management can also include potential benefits and enables us to make informed decisions, enabling the business to grow safely whilst delivering good client outcomes.

Specifically, in relation to the financial reporting processes, the main features of the internal control systems include:

- ◆ operation and assessment of controls in key risk areas
- ◆ monthly review and approval of all financial accounting data including data generated by our outsource providers
- ◆ formal review of financial information by senior management, for both individual companies and the consolidated Group
- ◆ extensive documentation of key processes, procedures and applicable key controls associated with financial reporting.

In addition, non-financial reporting is subject to formal management review by senior management as well as periodic review by Internal Audit.

The Committee is provided with updates on the operation of financial reporting controls throughout the year and each control is subject to an annual cycle of review and reapproval which culminates at the year-end.

Further, in respect of other material controls, the Committee receives, discusses and evaluates quarterly key risk and control indicator reports from the Group Risk function providing information relating to the internal control environment. Over recent years there have been notable enhancements to the Group's strategic approach to risk management and the internal control environment. At the core of this is a risk management system which allows for consistent recording, analysis, reporting and monitoring of risks and controls. The Group Risk function also has in-house SJP-specific risk and controls training to augment understanding and awareness for all employees. Enhancements have extended to an enriched RCSA process with clearer

guidance on documentation standards and, a multi-level review and attestation across the organisation, ensuring responsibility and accountability are clearly articulated and understood, with the tone from the top setting expectations for all divisions. An overhaul of our risk event and incident management processes that support our internal control environment is progressing to ensure best practice elements, and a standardised approach is adopted across the Group.

Throughout the year the Committee has continued to monitor and consider management's plans to meet the requirements of the 2024 UK Corporate Governance Code that come effective for the financial reporting year 2026, including enhancements to assurance and control testing. The Committee will continue to review management's implementation of the plans in 2025.

Over the next couple of years SJP is continuing to invest and prioritise further strengthening of the enterprise risk and internal control management framework to better meet the needs of the changing organisational structure, increased entity-led governance and evolving regulatory and legislative environment.

The Committee also receives and discusses the assessments of internal controls from the Internal Audit function, to support its review of the internal control system. Actions identified through internal audits, as well as compliance-monitoring reviews, and internal control updates on the RCSA process are monitored, to ensure suitable and proportionate improvements are made.

Information on SJP's principal risks and mitigations and material controls and mitigants are included in the risk and control management section.

Report of the Group Audit Committee continued

Anti-corruption, bribery and fraud review

The Committee monitors and receives regular reports from the Money Laundering Reporting Officer on the Group's policies, systems and controls to prevent corruption, including bribery and fraud. During 2024, fraud update reports were presented at each Committee meeting and a comprehensive annual report covering fraud and bribery was presented to the Committee in May. It was determined that, overall, St. James's Place's controls are effective, appropriate policies and procedures are in place, and operational effectiveness of controls is evidenced.

The majority of fraud attempts against St. James's Place and its clients arise as a result of activities involving email hacking and email interception by fraudsters. Fraud prevention controls to prevent the takeover of client accounts and fraudulent withdrawal of client funds are reliant on manual controls performed by advisers and their support staff. Whilst most operate the required controls effectively, individual lapses do lead to financial losses, of which we saw a small number in 2024. The Group has seen an increase in cases whereby an adviser or Partner practice is cloned online, with the intention of deceiving clients into making investments with profiles that adopt the genuine adviser's details. The following actions have been undertaken to counteract these threats:

- ◆ fraud prevention training and awareness webinars with our advisers, their support staff and employees to improve awareness of these risks and how to counteract them
- ◆ monitoring of St. James's Place social media activity to detect attempted takeovers or suspicious activity, and detection and removal of cloned St. James's Place websites
- ◆ communications to advisers, their support staff and clients via a 'one-pager' document to increase awareness of how to protect themselves from a range of investment scams.

Overall, the Committee is satisfied that the Group's internal control and risk management framework will provide adequate arrangements, actions and mitigating controls, noting that where weaknesses in material controls are identified, actions are taken to address and remediate them. Nevertheless, the Committee recognises that to support the continuing growth, there is a need to continue to invest in improving and strengthening the Group's risk and control conscious culture and the risk management and internal control framework.

These sources of assurance assist the Committee in completing its annual review and enable it to attest on behalf of the Board that it has been able to properly review the effectiveness of St. James's Place's system of internal control in accordance with the 2014 FRC Guidance on risk management, internal control and related financial and business reporting.

The Committee did not identify any significant control failings or weaknesses where actions were not taken so that it remains unmitigated, and it has ensured that corrective action is being taken on matters arising from the review.

Report of the Group Risk Committee



Rosemary Hilary

Group Risk Committee membership

Members and date joined Committee

Rosemary Hilary
(Chair from 19 August 2020)
17 October 2019

Rooney Anand
1 January 2025

Emma Griffin
22 July 2020

John Hitchins
1 January 2022

Lesley-Ann Nash
16 September 2020

Note: Dominic Burke was a member of the Committee until 31 January 2024.

The Committee's terms of reference set out the Committee's role and authority and can be found on the corporate website at sjp.co.uk/corporate-governance.

Key objective of the Committee

The Committee's primary role is to provide guidance and advice to the Board (and where appropriate to other relevant boards and committees in the Group) in relation to the Group's risk appetite, attitude to risk and also to provide oversight of its risk management framework. The other relevant boards are the wholly owned subsidiaries of St. James's Place plc (the Company), including its regulated companies.

Regular attendees at meetings

The Chair of the Board, Chief Executive Officer, Chief Operations and Technology Officer, Chief Risk Officer, Chief Actuary and Internal Audit Director are regular attendees. Subject matter experts and other members of senior management are also invited to attend and present on specific topics throughout the year.

Dear Shareholder,

I am pleased to present this report to you as Chair of the Committee and would like to take this opportunity to thank all the members for their contribution during the year and welcome Rooney Anand, who joined the Committee on 1 January 2025.

During 2024, the Committee has focused on several key programmes and the risks associated with implementing them. These have included the changes to introduce our simple, comparable charging structure and monitoring the progress made to refund clients where there was a lack of evidence for the delivery of historic ongoing servicing. In addition the Committee reviewed the refreshed strategy announced in July 2024 and its four pillars to assess whether the risks of each had been fully considered and supported the delivery of good client outcomes. Alongside this the Committee is also focused on employee wellbeing and has discussed the ways in which the Group continues to support employees through a significant period of change.

The Committee has monitored the continued embedding of the Consumer Duty principles, which has involved defining client outcomes to identify and mitigate foreseeable harm and reviewing and challenging the Group's first annual assessment of Consumer Duty.

The Committee has also provided oversight of risks arising from the macroeconomic environment including the abatement of inflation and reducing interest rates which have been taken into account as we evolve our approach to Consumer Duty to ensure we support clients in vulnerable circumstances and achieve positive outcomes for all our clients.

During the year, the Committee monitored the Group's oversight of its key material outsourcers and suppliers and related policies as there is an increasing reliance on them to help the Group deliver key strategic outcomes and programmes of work.

The Committee considered the stress and scenario testing conducted as part of the own risk and solvency assessment (ORSA) in order to assess the risks to the Group's capital and liquidity. This analysis continued to confirm that the Group remains resilient to macroeconomic shocks arising from volatile financial markets, changing inflation and interest rates and geopolitical tension. The Committee also oversaw an analysis of the Group's ability to deliver a solvent wind-down process. This confirmed that the Group had sufficient financial and non-financial resources to manage a solvent wind-down.

Report of the Group Risk Committee continued

The Committee also assisted in informing the Group's shareholder return guidance and considered a risk view of the determination of the Ongoing Service Evidence provision. Additionally, focused reports from senior executives have contributed to the Committee's evaluation of the Group's principal risks.

During the year, the Committee continued its focus on strategic and emerging risks and received updates on how the Group analyses them and develops an enhanced understanding of the risk they present to the Group's strategy and where risk management activities should be prioritised. Specifically, the Committee reviewed strategic risks associated with the Group's key programmes of work and considered views on the latest emerging risks which covered Group-specific risk as well as wider industry and global risks such as increasing geopolitical tensions and risks arising from changes in governments in the UK and internationally.

Committee operation, governance and effectiveness

The Group's risk and compliance functions sit under the executive leadership of Hestie Reinecke, the Group's Chief Risk Officer (CRO), who was appointed in October 2024. I have worked closely with Hestie and her predecessor to set the agenda of Committee meetings, discuss key issues, ensure that the Committee's key responsibilities are fulfilled, and that significant and emerging risks are considered at appropriate times. I also regularly meet the Chief Executive Officer, the Chief Financial Officer and individual members of the Group Executive Committee to discuss key risk topics.

The Committee's performance was reviewed by the Board as part of the overall assessment of its effectiveness (see page 71). The Board remains satisfied that the Committee operated effectively and that, as a whole, the Committee members have the experience and qualifications necessary. The Committee's annual review of its terms of reference concluded that it continued to discharge its responsibilities appropriately.

Oversight of risk

The Committee spends a significant proportion of its time receiving updates from the CRO and other key executives, who have direct access to me as Chair should the need arise. The Committee sought assurance on the operation, performance and resourcing levels of the risk and compliance functions.

Oversight of the risk management framework is key to the delivery of the responsibilities of the Committee. During 2024, the Group's principal and emerging risks evolved with the changing regulatory, macroeconomic and geopolitical situation. It is important that the risk management framework is regularly reviewed to reflect changes in the business and the risk profile. The Committee has reviewed plans for further enhancement of the risk management framework to be progressed during 2025. The Group uses technology and data analytics tools to support areas such as risk reporting to ensure it operates effectively.

Assessing risk mitigation is another area which the Committee reviews and challenges. Where risks crystallise, the Committee reviews the circumstances, root causes and response of management. More details on the principal risks, how risk is monitored and managed across the business, the risk management framework and risk appetite can be found on pages 30 to 38. The Committee reviewed and commented on the Group's risk appetite statement and, in its final form, recommended its approval to the Board.

Rosemary Hilary

On behalf of the Group Risk Committee

26 February 2025

Report of the Group Risk Committee continued

Operation and performance of the Committee

Key matters considered during the year

The table below highlights the key risks and matters considered by the Committee across the Group's nine principal risk areas.

Risk area	Principal risks considered by the Committee	Risk area	Principal risks considered by the Committee
Client proposition	<p>Consumer Duty – The Committee received regular reports monitoring how the Group has continued to embed the Consumer Duty (Duty) principles including evolving our culture and compliance with the Duty. The Group's first annual assessment of the Duty was reviewed and has helped the development of client outcomes to identify and mitigate foreseeable harm. The Committee reviewed the Group's process to define its client outcomes and challenged whether they would be easy for clients to understand and be closely aligned to both the Group's strategy and the needs of clients and could be monitored through suitable management information metrics.</p> <p>The Group will continually assess and improve how it delivers good outcomes for clients and the Committee was encouraged by the plan to further embed the Duty's principles across the Group and its relevant regulated subsidiaries, including through an enhanced governance framework and a focused Group Client Outcomes team.</p> <p>Simple, comparable charges – The Committee received regular reporting on the progress of the programme to implement our simple, comparable charging structure, and has monitored the risks associated with the successful completion of the changes, including their scope, business readiness for successful execution, reliance on third parties and the plan to communicate the changes to all relevant stakeholders including clients and the Partnership.</p> <p>The Group recognises that significant change programmes of this nature carry inherently high levels of risk, including people risk. The Committee challenged the progress of the programme and received assurance that the risks to completing it were appropriately mitigated through a governance framework which was operating effectively to achieve both the changes and the continued alignment with the principles of the Duty.</p>	Conduct	<p>Historic ongoing service evidence review – Following the announcement of the Ongoing Service Evidence provision in February 2024, the Committee has provided oversight of the programme to review historic client servicing records and identify those clients who should be offered a refund. The Committee has monitored the actions being taken to assist the efficient progress of the programme including ensuring the accurate payment of refunds to minimise potential client harm. The Committee noted that priority was being given to clients in vulnerable circumstances to resolve the gaps in evidence of their ongoing advice. The Committee reviewed the plans for communications to both clients and the Partnership and challenged whether they were sufficiently clear. The Committee was also reassured by the programme's use of technology to efficiently analyse data and assess the available evidence for historic client servicing.</p> <p>Complaints handling – The Committee received reports on the Group's complaints handling operations which showed that the volume of complaints from clients via claims management companies predominantly in relation to historic ongoing servicing had remained high during 2024 although a reduction had been seen since the announcement of the Ongoing Service Evidence provision. The Committee noted that the complaints handling process had evolved which had resulted in increased consistency and speed of resolution. This included increasing the resources available and the productivity of claims handlers.</p> <p>The Committee scrutinised the root cause analysis of complaints and noted that enhancements were being made to aid the process of their identification, the development of remedial actions and ultimately the closure of each root cause item. The Committee will continue to closely monitor the volume of complaints and how the Group's strategy to manage them develops and adapts to the evolving situation.</p>

Report of the Group Risk Committee continued

Key matters considered during the year continued

Risk area	Principal risks considered by the Committee	Risk area	Principal risks considered by the Committee
<p>Conduct continued</p>	<p>Clients in vulnerable circumstances – The Committee reviewed the Group’s approach to supporting clients in vulnerable circumstances and noted how the development of client outcomes was incorporating the needs of vulnerable clients to identify and mitigate foreseeable harm. Further progress had been achieved in respect of recording data relating to vulnerability, the use by administration centres of voice analytics to identify potential characteristics of vulnerability and the development of employee and Partner skills to identify potentially vulnerable clients. The Committee will monitor the enhancements being made to the approach to identifying and supporting clients in vulnerable circumstances.</p> <p>Supervision of Partner businesses – The Committee received updates on Partnership oversight activities including conduct reviews and the approach to identifying, assessing and managing risks to address potential systemic issues. Key areas included improving the risk framework, automation of data collation for firm reviews and improvements to record keeping. The Committee recognised the increased focus placed on developing the approach to oversight and supervision of the Partnership. It challenged the process used to identify Partner practices for review and was encouraged by the use of data intelligence to assess and mitigate the risks posed, including potential systemic risks.</p> <p>The Committee continued to closely monitor the actions taken to minimise and mitigate the risk of client detriment through the improved process for evidencing the provision of client servicing using the Salesforce CRM platform, the availability of vulnerable client information and the process to cease charging and refund clients where ongoing servicing could not be evidenced.</p> <p>The Committee reviewed the supervision of Partner businesses to assess compliance with the FCA’s Improvements to the Appointed Representatives regime.</p> <p>Business assurance – The Committee received an update on the effectiveness of the controls in place to provide assurance that advice received by clients is of a high standard in order to support good client outcomes. The Committee noted that developments had been made to the assessment of advice processes used to ensure continued alignment to the Group’s target markets which further embedded the Duty’s principles.</p> <p>The Committee noted that the business assurance function continued to drive efficiencies and optimise its performance, enabling it to play a valuable role in helping to assess the quality of advice and associated documentation, with a focus on higher risk products.</p>	<p>Financial</p>	<p>ORSA – The Committee reviewed and challenged the Group’s own risk and solvency assessment (ORSA) process throughout the year. This included detailed stress and scenario testing which supports the assessment of financial resilience indicators such as liquidity and solvency ratios for the Group and its UK and Irish insurance entities, as well as analysis and challenge of reverse stress testing. The Committee was comfortable that: risks within the Group remained at an acceptable level; the Group was adequately capitalised to deliver its strategy; the Group would remain solvent in stressed situations; and the Group had sufficient liquidity.</p> <p>Recovery, resolution and solvent wind-down planning – The Group conducted a detailed review of its recovery, resolution and solvent wind-down planning which covered the Company and its material regulated subsidiaries. These comprised analyses of operational activities and assessment of the adequacy of the Group’s financial and non-financial resources to ensure potential harm to clients was minimised and good client outcomes were prioritised. The Committee noted that detailed operational contingency plans have been determined and that the Group continues to have sufficient financial and non-financial resources in place to mitigate potential harm to clients and other stakeholders in the context of an extreme stress or wind-down scenario.</p> <p>Partner proposition</p> <p>Partner finance – The Committee received an update on the Group’s approach to its business ‘sale and purchase’ proposition and the key risks it faced, including higher interest rates and less favourable economic conditions which placed pressure on sale and purchase opportunities for the Partnership. The Committee noted that enhancements had been made to the proposition to align it with the Duty’s principles whilst ensuring that overall Partner debt was carefully managed and monitored, with a focus on affordability and supporting Partners.</p>

Report of the Group Risk Committee continued

Key matters considered during the year continued

Risk area	Principal risks considered by the Committee	Risk area	Principal risks considered by the Committee
People	<p>The Committee received updates on people risks, which focused on the need to support employee wellbeing during a period of significant and complex change affecting most areas of the business.</p> <p>The Committee recognised that the volume of change, including the new strategic focus, could impact employee sentiment, wellbeing and performance. The Committee supported the actions taken to address these risks including the creation of a clear culture strategy; initiatives to enhance employee engagement and feedback; realising the benefits of diversity and inclusion; and organisational health and wellbeing.</p> <p>As part of the overall review of people risk, the Committee considered remuneration risks. The review of such risks supports the Group Remuneration Committee's consideration of how best to align the Group's remuneration policies for Directors and employees with its strategy. It also provides assurance on compliance with existing and forthcoming regulatory requirements.</p> <p>The CRO attended meetings of the Group Remuneration Committee to provide a view of risk culture and the management of operational incidents in order to ensure reward and performance were reflected appropriately. The Committee's own activities supported the Group Remuneration Committee in reaching its conclusion that remuneration policies continue to mitigate potential conflicts of interest and do not encourage inappropriate risk-taking.</p>	Security and resilience	<p>Operational resilience – The Committee oversaw and scrutinised the Group's risk profile and operational resilience including the policy and framework approach adopted by the Group to assess whether its important business services remained operationally resilient and were prepared for operational disruptions, in order to minimise client harm. The Committee noted that enhanced oversight of the Group's material outsourcers facilitated early preventative action to address any vulnerabilities identified and the Committee was satisfied with the operation of the policy framework and its compliance with the regulations.</p> <p>Cyber risks – The Committee received regular updates on cyber risks, including the changing threat levels and corresponding mitigating actions taken to protect clients, the Partnership and the wider Group and noted that potential threats from increased geopolitical instabilities had so far not materialised. The Committee was encouraged by both the implementation by Partner practices of a base level of cyber security through either self-accreditation to the Cyber Essentials Plus (CE+) scheme or accreditation through subscribing to the Group's own 'Device as a Service' (DaaS) proposition, as well as the evolution of security levels through Partner practices being encouraged to implement additional standards above the base level of CE+ and DaaS. It noted that their implementation had significantly reduced the risk of cyber incidents and risk within the Partnership.</p> <p>Information security and data protection – The Committee was updated on the activities undertaken to support both best practice and risk mitigation in relation to data protection across the Group and the Partnership. The threat landscape is constantly evolving and the Group's security tools and training and awareness exercises were continually being enhanced in order to assess vulnerability and strengthen defence mechanisms to reduce the likelihood of a successful attack materialising, and to protect both the Group's and Partner practices' data.</p>
Regulatory	<p>Regulatory change – The Committee reviewed and discussed the impact and implementation of regulatory changes and management's responses to them. The Committee provided oversight of, and reviewed the controls in place to assess the Group's compliance with its regulatory obligations.</p> <p>Client money and client assets – The Committee received updates on the Client Assets Sourcebook (CASS) control environment, which provided assurance that core operational controls remained robust and that risks were being addressed and managed effectively.</p> <p>Supervision of appointed representatives – In relation to the FCA's Improvements to the Appointed Representatives regime, the Committee reviewed the annual Self-Assessment of Compliance report by St. James's Place Wealth Management plc (SJPWM) which highlighted the work conducted to complete annual firm reviews. The Committee recommended enhancements to the report before it was ultimately approved by the board of SJPWM.</p>		

Report of the Group Risk Committee continued

Key matters considered during the year continued

Risk area	Principal risks considered by the Committee	Risk area	Principal risks considered by the Committee
Strategy, competition and brand	<p>Strategy impact – Prior to the Group announcing its refreshed strategy focus in July 2024, the Committee reviewed the different risks posed by the four pillars of the strategy, including how good client outcomes would be achieved when implementing the changes, such as placing greater emphasis on providing a differentiated client proposition. The Committee also challenged how operational risks were being considered in the plans to achieve cost savings.</p> <p>The Committee was reassured by the actions and developments evidenced to mitigate the risks to delivering the refreshed strategy including taking a phased approach which would involve first strengthening the core business to drive sustained growth, then expanding our leading offering from 2027 and beyond. More details can be found on pages 12 to 14.</p> <p>The Committee also received reports on the risks faced by St. James’s Place International plc (SJPI) and the Asia business.</p> <p>Emerging risks – The Committee considered updates on management’s views of emerging risks and assessed which ones were most likely to arise in the future. These included adviser retention, competition, culture, and the impact of geopolitical risks, which would be monitored to consider appropriate actions. The Committee was satisfied that emerging risks had been appropriately considered and were being monitored accordingly. Reporting of these risks continues to be enhanced to facilitate rigorous debate on the potential implications for the Group.</p> <p>Responsible business – The Committee noted that the Group was evolving its approach to its responsible business objectives: SJP’s positive impact on the financial wellbeing of society; SJP’s Climate Transition Plan; continuing to improve diversity and an inclusive culture; and focusing on data, controls and processes to ensure continued compliance. The Committee recognised the risk arising from increased regulatory requirements and the reputational risk associated with potential ‘greenwashing’ and noted the mitigating actions included in the objectives for 2025.</p>	Third parties	<p>Administration performance – The Committee received regular updates regarding the risks to the provision of administration services provided to advisers and clients. The Committee recognised the enhanced level of risk associated with the implementation of our simple, comparable charging structure and the increased reliance placed on third-party administrators. The Committee noted the mitigating actions being taken to monitor and manage the risks from that project including an enhanced governance model supported by expert advisers and regular direct engagement with third parties to ensure early identification of changes to the risk environment and to support the delivery of good client outcomes through the implementation of the changes.</p> <p>Outsourcing – The Committee reviewed the Group’s outsourcer and supplier management approach including the cascading and embedding of the outsourcer and supplier management policy to maintain continued compliance with the regulations regarding oversight of outsourcing.</p> <p>The Committee also reviewed the Group’s arrangements for maintaining appropriate controls over and managing cyber security risk across its material outsourcers, and the third and fourth parties to whom they subcontract.</p> <p>The Committee was encouraged by the elevated levels of due diligence maintained for key suppliers, the testing of exit plans for material outsourcers, and the successful launch of a management database to provide a single source for those data. The Committee monitors adherence to the policy on a regular basis.</p>

Report of the Group Remuneration Committee



Emma Griffin

Group Remuneration Committee membership

Members and date joined Committee

Emma Griffin (Chair from 18 May 2023)
22 July 2020

Rooney Anand
1 January 2025

Lesley-Ann Nash
1 January 2022

Rosemary Hilary
1 August 2022

Simon Fraser
22 April 2024

Note: Dominic Burke was a member of the Committee until 31 January 2024.

The Committee's terms of reference set out the Committee's role and authority. They can be found on the corporate website at sjp.co.uk/corporate-governance.

Key objective of the Committee

The Committee's primary purpose is to ensure that the Directors' Remuneration Policy and related arrangements support the business's strategy and culture as well as the recruitment, motivation and retention of Executive Directors, the Chair of the Board and senior executives, whilst also having regard to workforce remuneration and complying with regulatory requirements.

Regular attendees at meetings

The Chair of the Board, Chief Executive Officer, Chief Financial Officer, Chief People Officer and Chief Risk Officer are regular attendees.

Dear Shareholder,

On behalf of the Committee, I am pleased to present the Directors' Remuneration report for 2024 (the Remuneration report).

The Remuneration report is in three sections:

- ◆ Committee Chair's annual statement
- ◆ Annual Report on Remuneration for 2024, including an 'at a glance' summary
- ◆ Directors' Remuneration Policy, including two proposed policy amendments (see overleaf).


The sections are set out in accordance with the UK Directors' Remuneration Report Regulations 2013, as amended in 2018 and 2019.

Last year's Remuneration report received strong support from shareholders with 93.58% of votes in favour.

Section 1 – Committee Chair's annual statement (unaudited)

 [page 92](#)

Section 2 – Remuneration at a glance and annual report on remuneration

 [page 96](#)

Section 3 – 2025 Directors' Remuneration Policy

 [page 117](#)

Report of the Group Remuneration Committee continued

Section 1 – Committee Chair’s annual statement (unaudited)

Introduction

Following a challenging period for the Group in 2023, there has been an overall positive shift in 2024, with record levels of funds under management, strong operational financial performance, and a renewed strategy which positions us for further success in the years to come. During the year, the Chief Executive Officer and wider management have been refreshing our leadership and talent at all levels – especially in our Executive team. The Board has also made some difficult but necessary decisions as we start to implement the refreshed strategy, including steps taken to change our organisational design as part of our cost and efficiency programme.

The Committee continues to improve alignment of incentive plan outcomes for Executives with Group and personal performance, and this can be clearly seen from the information set out in this Remuneration Report. 2024 marked a year in which pay packages for GEC members were set and evaluated on an individual basis. The Chief Executive Officer has delivered good results in his first year with significant achievements in all scorecard areas, which is reflected in the annual bonus outcome for 2024. This has been complemented with a good start from our new Chief Financial Officer, Caroline Waddington, since her appointment in September 2024. The share price has also been improving and a Total Shareholder Return (TSR) for the year to 31 December 2024 of 30.5%, compared with 9.5% for the FTSE All-Share Index.

Directors’ Remuneration Policy (the Policy)

The Policy was approved in the triennial vote at the 2023 Annual General Meeting (AGM) and a full review will take place in autumn 2025 for submission to the 2026 AGM. However, we are proposing two amendments to the existing Policy at the 2025 AGM, summarised below:

- To permit the granting of Restricted Shares to Executive Directors as part of a balanced reward package, without increasing the quantum of remuneration. The current Policy relies on Performance Shares (PSP) only for Executive Directors, which is out of line with our practice for executives below Board. It also restricts the Committee’s flexibility to align the total package with multiple business needs. The change will allow the Committee flexibility, in future years from 2026 onwards, to grant a combination of Performance Shares and Restricted Shares (up to a maximum of 62.5% of base salary). This will support share ownership, aid retention and drive performance during the continued transformation of the business over the next few years. We have structured the change to align with the Investment Association’s Principles of Remuneration (IA Guidance) including a 50% discount for Restricted Shares relative to Performance Shares, a robust underpin assessment by the Committee before Restricted Shares are permitted to vest, and a five-year period from grant before vested shares can be sold (excluding sales to settle tax on vesting). This proposed change does not increase the value of Executive Director’s overall packages.

- For the avoidance of doubt, the grant in 2025 will be wholly in PSP with a total performance and holding period to 2030, and the Chief Executive Officer will also continue to be incentivised from his 2024 PSP grant with a total vesting and holding period to 2029.
- To bring the annual bonus deferral policy into line with the latest IA Guidance. The current Policy sets the mandatory deferral percentage into shares at 50% of the annual bonus award, even where an Executive Director already holds a large multiple of their base salary in Company shares. The proposal is to maintain the deferral at 50% of total bonus whilst an Executive Director is building their minimum shareholding requirement (MSR) (300% of base salary for the Chief Executive Officer and 200% of base salary for the Chief Financial Officer), but to allow flexibility for the Committee to set a lower bonus deferral percentage for that individual once their shareholding has reached the required level and subject to the Executive Director maintaining it. This lower deferral percentage will be set at a level to ensure that the Committee retains the ability to apply malus provisions when necessary, and to meet any regulatory deferral requirements applying to total variable pay. We have also set a ‘floor’ deferral percentage of 25% of the total bonus award. The earliest this change would apply is to the annual bonus in respect of 2025 (awarded in 2026) and only if an Executive Director has met their MSR by the time of the award in 2026.

We sought the views of our top 20 shareholders on these proposals in November 2024 and addressed several questions. Shareholders were generally very supportive of the proposed changes subject to (i) a maximum percentage of any grant being in Restricted Shares, which we have complied with (up to 50% of the fair value of the grant – i.e. up to 62.5% of base salary) and (ii) a ‘floor’ deferral percentage, which has now been set at 25%. The detailed changes are set out in the Policy section of this Remuneration Report and the new Policy is subject to a vote at the AGM in May 2025.

From 1 May 2024, we consolidated car allowance into base salary. To ensure that total fixed pay remained unchanged, the amount consolidated was adjusted downwards for the pension contribution that applies to base salary. This impacted all employees including Executive Directors. Removing car allowances simplifies the package, reduces administrative costs and brings us more into line with market practice.

Annual bonus outcomes for 2024

The annual bonus for 2024 was based on a combination of financial criteria (60% weighting), strategic criteria (20% weighting) and individual performance objectives (20% weighting). As set out in the Policy, the maximum annual bonus for 2024 was 200% of bonusable salary (175% of bonusable salary for the new Chief Financial Officer, Caroline Waddington). The financial metrics were: the Underlying cash result, net inflows and controllable expenses. Strategic criteria covered six elements including key performance indicators relating to building community, being easier to do business with, delivering value to advisers and clients through our investment proposition, building and protecting our brand and reputation, our culture and being a responsible business, and continued financial strength. The Committee undertook a robust assessment for all the performance criteria and considered the wider performance of the Group in 2024.

Report of the Group Remuneration Committee continued

As explained in the Chief Financial Officer's report, the financial performance of the Group in 2024 was strong. Net inflows were £4.3 billion (2023: £5.1 billion), the Underlying cash result was £447.2 million (2023: £392.4 million), and year-on-year growth in controllable expenses was contained to 5%. As a result, the Committee determined that the payout for the financial component of the bonus should be in line with the scorecard outcomes, totalling 60% of the maximum for this element, without any exercise of overriding downward discretion.

The Committee assessed performance for the strategic criteria taking appropriate input and determined that a total of 75% of maximum had been earned for this element. Individual performance was assessed as earning between 80% and 100% of the maximum for this element across the three Executive Directors who served during the year.

Based on these scorecard outcomes, the total award for the Chief Executive Officer was calculated to be 96.4% of maximum (192.8% of base salary). The pro-rata total award for the former Chief Financial Officer, Craig Gentle, for his nine months' service as Chief Financial Officer, was assessed to be 87% of maximum (174% of bonusable salary after application of time pro-ration). Caroline Waddington was awarded 89.5% of maximum (156.7% of bonusable salary which includes the buyout of bonus from her previous employer).

50% of the annual bonus awards referred to above will be deferred into shares, vesting after three years.

No bonus payment was made to Andrew Croft for 2024 as he stepped down from the Board and his role as Chief Executive Officer at the end of November 2023 and remained on 'gardening leave' until 13 September 2024.

Performance Share Plan (PSP) outcome for 2022 to 2024

The PSP awards granted in 2022 reached the end of their three-year performance period in 2024. The performance metrics for these awards were earnings per share (two-thirds), and relative total shareholder return against the companies comprising the FTSE 51 to 150 (excluding investment trusts and those companies in the FTSE Oil and Gas and FTSE Mining sectors) (one-third). The performance outcomes on these metrics were below the threshold vesting level. The total vesting outcome was therefore zero, which further reinforces the alignment of Executive Director remuneration with the long-term outcomes for shareholders.

Vesting of buyout award for Chief Executive Officer

Mark FitzPatrick joined the Group as Chief Executive Officer Designate on 1 October 2023 and was appointed Chief Executive Officer on 1 December 2023. As part of his joining arrangements, he received an award of 100,044 SJP performance shares to replace the portion of share awards from Prudential plc that he forfeited to join SJP.

The first tranche of the buyout award (14,873 shares) was based on the same performance conditions that applied to him at Prudential and vested in May 2024, with 27.58% of the award (4,101 shares) vesting. The second and third tranches of the buyout award (85,171 shares in total) vest in April and May 2025 based on SJP's relative TSR performance to the end of 2024, using the same peer group used for the Company's PSP. The Committee applied discretion to determine that relative TSR be measured using the average TSR index for the fourth quarter of 2023 (three-month period) as the baseline and the average TSR index for the fourth quarter of 2024 (three-month period) as the end point (rather than measuring TSR on a 'spot basis' from 1 October 2023). This approach is consistent with our Policy. The three-month averaging approach is also consistent with market practice and with the normal methodology the Company uses for measuring relative TSR for its PSP.

The TSR outcome for these second and third tranches of the buyout award is above the upper quartile, meaning that 100% of these tranches will vest. The vested options (net of any sales to settle taxes on exercise) are required to be retained for a minimum of two years post-vesting.

Change of Chief Financial Officer

Craig Gentle retired as Chief Financial Officer effective 16 September 2024 and as a member of the Board on 11 October 2024, after more than eight years' service with the Company and six years as Chief Financial Officer. Craig will leave through retirement on 12 June 2025, 12 months from the announcement that he would retire. Craig will remain employed by the Group on 'gardening leave' until his contractual notice period ends on 12 June 2025. Craig is eligible for base salary and contractual benefits for the remainder of his notice period. Craig remained eligible for an annual bonus for 2024 pro-rated for the period he was a member of the Board and subject to the performance conditions; as explained above, the Committee determined that the annual bonus award for 2024 should be £646,687. He is not eligible for an annual bonus in respect of the financial year ending 31 December 2025, or for a PSP award at the 2025 grant date.

The Committee exercised discretion to allow Craig to retain his deferred bonus awards earned in respect of previous financial years, vesting at the normal three-year vesting dates, and his PSP awards from prior years, subject to time pro-rating and performance, with vesting dates unchanged and subject to the normal two-year post-vesting holding period. He is required to retain a shareholding in the Company of 200% of his base salary for two years post cessation. Malus and clawback provisions continue to apply to all awards under the relevant plans.

Caroline Waddington was appointed Chief Financial Officer effective 16 September 2024, joining from UBS where she was Chief Financial Officer for the Group's UK Credit Suisse entities. Her base salary was set at £625,000, which, although higher than her predecessor in the Chief Financial Officer role at SJP, is less than the base salary she was earning at UBS. Her initial variable pay opportunity with SJP has been set below that of her predecessor, with an initial maximum annual bonus of 175% of base salary (compared with 200% for Craig Gentle) and eligibility for a PSP award in 2025 of up to 200% of base salary (compared to Craig Gentle's PSP grants of 215% of base salary in 2024 (reduced due to market circumstances) and 250% in 2023).

Report of the Group Remuneration Committee continued

These bonus and PSP maximum award levels are below the levels permitted under the Policy. The Committee may, at its discretion, bring these into line with the Policy in due course, taking account of Caroline's development in the role. Caroline's pension level is 10% of base salary in line with other new joiners to the Group. To compensate Caroline for the forfeiture of her UBS annual bonus for 2024, Caroline will receive an annual bonus for 2024 based on a full year's service. She also received awards of SJP shares, and deferred cash awards, with a total value of £1.2 million to replace the deferred share and cash awards she held at UBS that she forfeited to take up her role with SJP on 16 September 2024. These replacement awards are subject to terms equivalent to those applying to the UBS awards they replace, including performance conditions where forfeited awards had such conditions, and vest over a seven-year period from 2025 to 2032 in line with the vesting dates of the awards she forfeited.

Payments to former Chief Executive Officer

As detailed in last years' Report, Andrew Croft stepped down from the Board on 30 November 2023. Andrew undertook a period of 'gardening leave' from 1 December 2023 until his employment ended on 13 September 2024 following the end of his contractual notice period. During the 'gardening leave' period, Andrew continued to receive his base salary and contractual benefits. In 2024, Andrew received a base salary of £448,973, pension payments of £71,729 and benefits totalling £77,129.

Andrew received no additional compensation or payment for the termination of his service contract or his ceasing to be a director of the Company or any other Group Company.

Non-Executive Board changes

Dominic Burke stepped down from the Board on 31 January 2024 and Simon Fraser and Rooney Anand were appointed to the Board on 22 April 2024 and 1 January 2025 respectively.

Base salary reviews for 2025

The Committee has reviewed base salaries for Executive Directors for 2025 and determined that the Chief Executive Officer's base salary should be increased by 3.25% at the 1 March 2025 review date, slightly below the average 3.3% increase for SJP employees overall. The Committee also determined that the Chief Financial Officer's base salary should remain unchanged at the 2025 review date.

Annual bonus metrics for 2025

As in 2024, the Committee has applied the key principles for selecting performance metrics as set out in the Policy, with an emphasis on robust financial performance, strategic goals and personal performance. The financial metrics make up 60% of the annual bonus and will be similar to the 2024 approach. The only change is that we are separating the controllable expenses metric into two separate components, i.e. (i) ongoing control of regular expenses (as per 2024) and (ii) delivery of the specific targets for significant cost reduction as part of the implementation of our cost and efficiency programme. The other two financial metrics

continue to be: net inflows and the Underlying cash result. The non-financial element of the annual bonus will be split between strategic targets (20% of maximum bonus) and individual performance criteria (20% of maximum bonus). The full set of targets and outcomes will be reported to shareholders in the Remuneration Report for 2025, in the usual way.

PSP grants in 2025

We have also considered the metrics for the 2025 grants of the PSP, taking account of the Board's review of business priorities for the next one to three years. This has included considering the choice of financial metrics, the weighting on relative TSR, and whether environmental, social and governance (ESG) targets should form a part of the scorecard. We have concluded that the metrics for the 2025 grant should remain unchanged from those that applied to 2024 grants, including: one-third based on relative TSR, and two-thirds based on EPS.

The quantum will be as follows:

- ♦ Mark FitzPatrick will receive an award of 250% of base salary, as permitted in the Policy
- ♦ Caroline Waddington will receive an award of 200% of base salary as set out in her contract of employment.

Vesting of these awards will be subject to demanding performance conditions and the Committee also retains additional discretion to make downwards adjustment at vesting should this be considered appropriate.

Board Chair fee, and Non-executive Director fees for 2025

The Committee reviewed the Board Chair fee level, taking account of benchmark fee levels and the time commitment in the role, and decided to increase the fee by 3.25% to £413,000 effective 1 January 2025, which is less than the average increase for employees in 2025. The fee level will be reviewed again from 1 January 2026.

The Board (excluding Non-executive Directors) reviewed the Non-executive Director fee rates and concluded that a modest increase of 2.6% should be applied to the base fee, which is less than the average increase of 3.3% for employees in 2025.

Diversity and pay gaps

The Board monitors the gender and ethnic diversity of employees. We have achieved 37.3% female representation in senior management roles in 2024 and we are also working towards at least 12% minority ethnic representation in our UK employee population by 2028 (currently 9.5%). We also track the total gender pay gap, which is an indication of whether we are moving closer to a broadly equal number of men and women at each job level in the Group. Over the seven years since 2017, we have made progress on this: the median and mean hourly pay gaps have reduced by 13.0 and 12.9 percentage points respectively over that time.

Report of the Group Remuneration Committee continued

Consultation with colleagues

One of our Committee members, Lesley-Ann Nash, is also the Non-executive Director with responsibility for workforce engagement. Lesley-Ann conducts regular meetings with our Workforce Engagement Panel, which includes a cross-section of SJP colleagues. These discussions include Executive remuneration policy and practice.

Corporate Governance Code and FCA regulations

The Committee regularly monitors how remuneration policy and practice meet the requirements of the 2018 Corporate Governance Code, and the FCA Remuneration Codes that apply to regulated subsidiaries within the Group. The Committee considers that our Remuneration Policy effectively addresses the following principles set out in the Code:

Factors	Approach taken in Remuneration Policy
Clarity	Our Policy and its operation and alignment with our strategic objectives are disclosed in the Directors' Remuneration report, which provides stakeholders with clarity on the link between the achievement of SJP's strategy and how Executive Directors are rewarded. Clarity on remuneration is also provided to employees via our Workforce Engagement Panel, which provides the opportunity for Panel members to engage on remuneration-related topics including the Policy.
Simplicity	The structure of the package for Executive Directors is simple to understand and provides transparent performance criteria and payment scales for variable pay, plus appropriate scope for the use of judgement and discretion by the Committee. In recent years we have adjusted the performance measures for variable elements so that they are more clearly aligned with stakeholder expectations and experience. This has involved selecting measures that are better understood by stakeholders as well as ensuring we explain the alignment better in the Policy and the Report. In 2024, we removed car allowance from the remuneration package to further simplify fixed pay.
Risk	The Executive Directors' package is sensitive to risk and is aligned with our strategic objectives and the interests of our shareholders and other stakeholders. The Policy is assessed to ensure it aligns with the Group's risk appetite and regulatory requirements, and that it does not encourage undue risk-taking. Assurance of this is sought from the Chief Risk Officer.

Factors	Approach taken in Remuneration Policy
Predictability	Our Policy clearly discloses the maximum opportunity for each element of remuneration. The actual outcomes depend on the performance achieved against the specific performance metrics.
Proportionality	The metrics and maximum award levels in the annual bonus and PSP help to ensure that variable pay for Executive Directors is proportionate to the performance delivered for stakeholders and that there is alignment between the outcomes and the achievement of SJP's strategy. Stretching performance conditions and the discretion available to the Committee ensure that poor performance is not rewarded.
Alignment to culture	The Policy reflects SJP's culture of rewarding performance, being a responsible business, and taking account of the needs of all stakeholders. This is particularly relevant for the strategic objectives relating to the annual bonus as these include elements specifically aligning with cultural indicators.

Conclusion

Remuneration outcomes for 2024 reflect the Committee's robust approach to performance assessment – with total remuneration reflecting the positive developments in the business during the year. We align the remuneration of Executive Directors with the long-term interests of our shareholders; shares constitute around 60% of the total package, through deferral of bonus over three years and long-term incentive awards that are subject to a total five-year vesting and holding period. The amendments to our Policy do not increase the quantum of remuneration and retain close alignment with shareholders' interests.

I encourage you to vote for the Directors' Remuneration report for 2024 and the amended Directors' Remuneration Policy.

Emma Griffin

On behalf of the Group Remuneration Committee

26 February 2025

Report of the Group Remuneration Committee continued

Section 2 – Remuneration at a glance and annual report on remuneration

Summary of Executive Directors' remuneration for the year

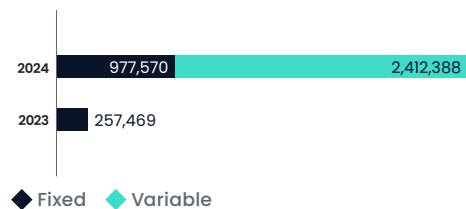
How were our Executive Directors rewarded?

Single figure remuneration for the year

The following tables provide a summary single total figure of remuneration for 2024 and 2023 for the Executive Directors.

Mark FitzPatrick, Chief Executive Officer¹

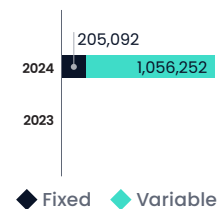
£'000



	2024	2023
Base salary ⁷	861,455	210,000
Benefits ⁷	29,970	26,469
Pension	86,145	21,000
Other	751,334	–
Annual bonus (cash) ⁵	830,527	–
Annual bonus (deferred) ⁵	830,527	–
Total	3,389,958	257,469
PSP vested ⁶	–	–

Caroline Waddington, Chief Financial Officer²

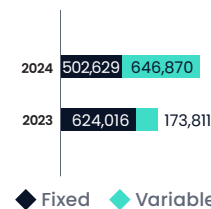
£'000



	2024	2023
Base salary	182,692	–
Benefits	4,047	–
Pension	18,353	–
Other	76,877	–
Annual bonus (cash) ⁵	489,687	–
Annual bonus (deferred) ⁵	489,688	–
Total	1,261,344	–
PSP vested ⁶	–	–

Craig Gentle, Chief Financial Officer³

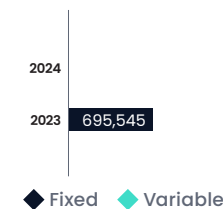
£'000



	2024	2023
Base salary ⁷	371,975	445,104
Benefits ⁷	74,634	112,146
Pension	56,021	66,766
Other	183	179
Annual bonus (cash) ⁵	323,343	86,816
Annual bonus (deferred) ⁵	323,344	86,816
Total	1,149,500	797,827
PSP vested ⁶	–	–

Andrew Croft, Chief Executive Officer⁴

£'000



	2024	2023
Base salary	–	563,862
Benefits	–	47,104
Pension	–	84,579
Other	–	–
Annual bonus (cash) ⁵	–	–
Annual bonus (deferred) ⁵	–	–
Total	–	695,545
PSP vested ⁶	–	–

¹ Mark FitzPatrick was appointed as Chief Executive Officer Designate and to the Board on 1 October 2023 and became Chief Executive Officer on 1 December 2023.

² Caroline Waddington was appointed as Chief Financial Officer and to the Board on 16 September 2024.

³ Craig Gentle retired as Chief Financial Officer on 16 September 2024 and from the Board on 11 October 2024. The figures shown are his remuneration for services as a Director.

⁴ Andrew Croft stepped down as Chief Executive Officer and from the Board on 30 November 2023. The figures shown are his remuneration for services as a Director.

⁵ The annual bonus awards are in respect of performance during the years ending 2023 and 2024 respectively.

⁶ The value of the PSP vested corresponds to the long-term incentives in the total remuneration table on page 98.

⁷ From 1 May 2024, car allowance was consolidated into base salary. To ensure that total fixed pay remained unchanged, the amount consolidated was adjusted downwards for the pension contribution that applies to base salary.

Report of the Group Remuneration Committee continued

Summary of Executive Directors' remuneration for the year continued

Linking remuneration to achievement of key business goals

	Weighting (maximum potential percentage points per item)	Mark FitzPatrick ¹		Caroline Waddington ²		Craig Gentle ³		
		Outturn (actual points earned)	Percentage of base salary earned	Outturn (actual points earned)	Percentage of base salary earned	Outturn (actual points earned)	Percentage of base salary earned	
Annual bonus for 2024 (max 200% of base salary)	Underlying cash result	12%	12.0	24.0%	12.0	21.0%	12.0	24.0%
	Net funds under management flows	24%	24.0	48.0%	24.0	42.0%	24.0	48.0%
	Annual growth in controllable expenses	24%	24.0	48.0%	24.0	42.0%	24.0	48.0%
	Strategic performance objectives	20%	16.4	32.8%	13.5	23.7%	11.0	22.0%
	Individual performance objectives	20%	20.0	40.0%	16.0	28.0%	16.0	32.0%
	Total calculated payout	100%	96.4	192.8%	89.5	156.7%	87.0	174.0%
PSP (2022 award) (max 250% of base salary)⁴	Relative TSR	33.3%	N/A	N/A	N/A	N/A	0.0	0.0%
	Average annual adjusted earnings (EPS) per share growth target, based on EEV in excess of CPI, with the scale starting at CPI+5% and extending to CPI+12% ⁵	66.7%	N/A	N/A	N/A	N/A	0.0	0.0%
	Total PSP opportunity	100%	N/A	N/A	N/A	N/A	0.0	0.0%

1 The annual bonus outturn and percentage of base salary earned for Mark FitzPatrick are based on a maximum bonus opportunity of 200% of base salary).

2 The annual bonus outturn and percentage of base salary earned for Caroline Waddington (maximum bonus opportunity of 175% of base salary).

3 The annual bonus outturn and percentage of base salary earned for Craig Gentle (maximum bonus opportunity of 200% of base salary earned up to the date he stepped down from the Board).

4 Base salary for PSP is the base salary at the time of grant. The value of the PSP vesting is also dependent on the amount of share price movement between grant and vesting.

5 The EPS performance condition is calculated by reference to the post-tax European Embedded Value (EEV) operating profit (on a fully diluted per share basis) for two-thirds of the award. For the EPS performance metric element a threshold and stretch level of performance is set. At threshold, 25% of the relevant element vests, rising on a straight-line basis to 100% for attainment of levels of performance between threshold and maximum targets.

Report of the Group Remuneration Committee continued

Annual report on remuneration

This Directors' Remuneration report, will be put to an advisory shareholder vote at the 2025 AGM. This part of the Remuneration report explains the work of the Remuneration Committee and sets out how we implemented our Policy during 2024. The information on pages 98 to 116 has been audited where indicated. This part also sets out how we intend to implement the Directors' Remuneration Policy in 2025. The Policy, including the proposed amendments is set out on pages 117 to 126.

2.1 How the Remuneration Policy was applied in 2024

2.1.1 Remuneration payable in respect of performance in 2024 (audited)

Summary of total remuneration

The remuneration received by Executive Directors in respect of the years ended 31 December 2024 and 2023 is set out below.

Executive Director		Base salary £	Benefits £	Annual bonus £	Long-term incentives £	Pension £	Other £	Total £	Total fixed remuneration £	Total variable remuneration £
Mark FitzPatrick ¹	2024	861,455	29,970	1,661,054	–	86,145	751,334	3,389,958	977,570	2,412,388
	2023	210,000	26,469	–	–	21,000	–	257,469	257,469	–
Caroline Waddington ²	2024	182,692	4,047	979,375	–	18,353	76,877	1,261,344	205,092	1,056,252
	2023	–	–	–	–	–	–	–	–	–
Craig Gentle ³	2024	371,975	74,634	646,687	–	56,021	183	1,149,500	502,630	646,870
	2023	445,104	112,146	173,632	–	66,766	179	797,827	624,016	173,811
Andrew Croft ⁴	2024	–	–	–	–	–	–	–	–	–
	2023	563,862	47,104	–	–	84,579	–	695,545	695,545	–

Non-executive Director		Base salary £	Benefits £	Total £
Dominic Burke ⁵	2024	16,958	–	16,958
	2023	147,109	–	147,109
Simon Fraser ⁶	2024	125,968	–	125,968
	2023	–	–	–
Emma Griffin	2024	190,212	7,870	198,082
	2023	139,363	10,617	149,980
Rosemary Hilary	2024	204,504	735	205,239
	2023	159,252	419	159,671
John Hitchins	2024	199,747	–	199,747
	2023	142,472	118	142,590
Paul Manduca	2024	400,000	8,810	408,810
	2023	375,000	2,880	377,880
Lesley-Ann Nash	2024	132,875	966	133,841
	2023	111,996	113	112,109

1 Mark FitzPatrick joined the Board on 1 October 2023. The Other amount includes the value of buyout awards which vested on 17 May 2024 (4,169 shares at a market price on vesting of £4.774 per share) and are due to vest in 2025 (87,309 shares at a market price of £8.3437, the average of the closing share prices for the three months ending on 31 December 2024). The number of shares include dividend equivalent shares which will be added on vesting.

2 Caroline Waddington joined the Board on 16 September 2024. The Other amount relates to a buyout cash award payment as shown on page 99.

3 Craig Gentle stepped down from the Board on 11 October 2024.

4 Andrew Croft stepped down from the Board on 30 November 2023.

5 Dominic Burke stepped down from the Board on 31 January 2024.

6 Simon Fraser joined the Board on 22 April 2024.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

Benefits

Benefits for Executive Directors comprise private healthcare, life and critical illness cover, permanent health insurance, health screening, travel costs and car allowance until 30 April 2024 when this was consolidated into base salary with a downward adjustment to reflect the pension contribution that applies to base salary. For Craig Gentle, they also included a location allowance of £72,000 per annum, which allowed him to work increased amounts of time in SJP's London office away from his normal place of work at SJP's Cirencester office (2023: £72,000). The amounts shown are generally the taxable amounts.

Benefits for Non-executive Directors are for the reimbursement of taxable travel expenses grossed up for any tax payable thereon. Non-executive Directors are not paid a pension and do not participate in any of the Company's variable incentive schemes.

Pension allowance

Consistent with the pension contributions provided to the wider workforce, all Executive Directors appointed after the 2018 AGM receive a pension allowance of 10% of salary on joining, increasing to 12.5% after five years and 15% after ten years of service. The pension allowances for Executive Directors appointed prior to the 2018 AGM were reduced to 15% of base salary on 1 January 2023. None of the Executive Directors participate in defined benefit pension schemes.

Annual bonus

As explained on page 120, half of the annual bonus is paid in cash, and the other half in the form of a conditional award of the Company's shares. Release of the shares is subject to the participant's continued employment. Deferred shares are subject to forfeiture for three years under the terms of the Deferred Bonus Plan (DBP).

Long-term incentives

The value of the long-term incentives is the value of shares vesting from the award where the performance period ends in the year, together with the value of dividend equivalents that have been added in the form of shares, during the three-year performance period, to the vested shares. The long-term incentive values for 2024 are zero for all Executive Directors. For Andrew Croft and Craig Gentle, this is due to the performance conditions not being met for the PSP award granted on 25 March 2022. These awards will lapse in full and no shares will vest. The long-term incentive values for 2023 are zero for all Executive Directors. For Andrew Croft and Craig Gentle, this is due to the performance conditions not being met for the PSP award granted on 25 March 2021.

Other

These amounts relate to two elements: (i) income received from the Share Incentive Plan and the Save As You Earn scheme; (ii) vesting of buyout awards for Mark FitzPatrick; and (iii) the payment of a buyout cash award to Caroline Waddington. For the Share Incentive Plan, the value relates to the matching shares received (one matching share is awarded for every ten Partnership

shares purchased). For Mark FitzPatrick and Craig Gentle, 39 matching shares were awarded on 25 March 2024 at £4.5243 per share. For Craig Gentle, 15 matching shares were awarded on 24 March 2023 at £11.93 per share. Employees making contributions to the Save As You Earn scheme receive a 20% discount on shares under option. Mark FitzPatrick started a savings contract in March 2024 with a discount of £1,008 per share for 2,748 shares under option. Mark will be eligible to receive a tax-free bonus of 1.1 times his monthly savings amount on the maturity of the Save As You Earn scheme. None of the Directors started a savings contract in 2023.

For Mark FitzPatrick, 4,101 shares vested in May 2024 from his buyout awards and a further 85,171 shares are due to vest in April and May 2025 based on SJP's TSR performance in 2024. The buyout awards accrue dividend equivalent shares in the period from the grant date to the date of exercise. 68 dividend equivalent shares were added on vesting to the shares which vested in May 2024 and 2,138 dividend equivalent shares have accrued on the shares which are due to vest in April and May 2025. The shares which vested in May 2024 have been valued using a share price of £4.774, the closing share price on 17 May 2024. The shares which are due to vest in April and May 2025 have been valued using a share price of £8.3437, the average of the closing share prices for the three months ending on 31 December 2024.

The buyout awards replaced part of the Prudential awards that Mark forfeited on leaving. The vesting level of the award which vested on 17 May 2024 was 27.58%. This was based on the same performance conditions that applied to the Prudential LTIP 2021 award. The awards which are due to vest in April and May 2025 will vest in full. The vesting level for these awards has been determined by the Company's relative total shareholder return against the companies comprising the FTSE 51 - 150 (excluding investment trusts and those companies in the FTSE Oil and Gas and FTSE Mining sectors) during the period from 1 January 2024 to 31 December 2024. The Company was ranked above the upper quartile (16th out of 80 companies). Therefore, 100% of the shares will vest.

Caroline Waddington received a buyout cash award payment of £76,877 to compensate her for a portion of Upfront Cash Awards clawed back by UBS due to cessation of employment and the income tax and National Insurance contributions due on the payment.

Subsidiary board fees

Emma Griffin received a fee of £62,500 as a Non-executive Director of St. James's Place Unit Trust Group Limited during 2024.

Dominic Burke, Simon Fraser, Rosemary Hilary and John Hitchins received the following fees as Non-executive Directors of St. James's Place UK plc during 2024; £5,208 for Dominic Burke until he stepped down from 31 January 2024; £43,229 for Simon Fraser from when he was appointed on 22 April 2024; £62,500 for Rosemary Hilary; and £62,500 for John Hitchins.

John Hitchins received a fee of £2,352 as a Non-executive Director of St. James's Place Wealth Management plc from when he was appointed on 18 December 2024. The payment of this fee was made in January 2025.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

Payment for loss of office (audited)

As detailed in last years' Report, it was announced on 13 September 2023 that Andrew Croft would step down from the Board on 30 November 2023. Andrew undertook a period of 'gardening leave' from 1 December 2023 to 13 September 2024 when he ceased to be an employee, and during that time he continued to receive his base salary and contractual benefits, for the period he continued to be an employee, that he was entitled to under the terms of his Service Contract in respect of the balance of his notice period during which he was on gardening leave. During 2024, Andrew received a base salary of £448,973, pension payments of £71,729 and benefits totalling £77,129. Andrew was eligible for an annual bonus award for the financial year ending 31 December 2023, pro-rated for the period he was a member of the Board of the Company. The Committee determined that the bonus award in respect of 2023 was zero. He was not eligible for annual bonus in respect of the financial year ending 31 December 2024.

Andrew was treated as a good leaver in respect of his outstanding awards under the DBP and the PSP, and accordingly the unvested awards under these plans are due to vest on the normal vesting dates. PSP awards are and will be subject to the achievement of performance conditions and pro-rating in respect of his period of employment. He did not receive a PSP award in 2024. PSP awards are and will continue to be subject to post-vesting holding periods in accordance with the rules of the PSP.

Andrew's unvested Company Share Option Plan (CSOP) awards will vest on the normal vesting dates, subject to the achievement of performance conditions and pro-rating in respect of his period of employment. He did not receive a CSOP award in 2024 and CSOP awards will continue to be subject to post-vesting holding periods in accordance with the rules of the CSOP.

Malus and clawback provisions apply to any awards or payments made to Andrew under any of the above award and share plans. Andrew has retained his shares held in the Share Incentive Plan (SIP) in accordance with the plan rules.

In line with the Policy, Andrew is required to maintain a shareholding equivalent to 300% of his base salary from the date he stepped down from the Board for two years post cessation.

Andrew will receive no additional compensation or payment for the termination of his service contract or his ceasing to be a director of the Company or any other Group Company or any other Group Company, except for the Company paying legal fees up to £25,000 plus VAT.

2.1.2 Remuneration arrangements for change of Chief Financial Officer (audited)

Leaving arrangements for Craig Gentle

As we announced on 13 June 2024, Craig Gentle retired from the position of Chief Financial Officer on 16 September 2024 and stood down from the Board on 11 October 2024. Craig will leave through retirement on 12 June 2025, the end of his contractual notice period. From 11 October 2024 to the end of the year, Craig continued to receive his base salary and contractual benefits at a rate consistent with the table in 2.1.1. Payments and remuneration arrangements relating to loss of office are set out below.

Craig will remain employed by the Group on 'gardening leave' until his contractual notice period ends on 12 June 2025 and he will continue to receive his base salary and contractual benefits during that period in accordance with his service agreement and the Company's Directors' Remuneration Policy. Craig is eligible for an annual bonus award for the financial year ending 31 December 2024, pro-rated for the period he was a member of the Board of the Company and subject to the achievement of performance conditions. To the extent that any annual bonus award is made, 50% of it will be deferred for three years and invested in the Company's shares under the terms of the DBP. He will not be eligible for an annual bonus award in respect of the financial year ending 31 December 2025.

The Committee exercised discretion to allow Craig to retain his outstanding awards under the DBP and the PSP (subject to time pro-rating) and the awards under these plans will vest on the normal vesting dates. PSP awards will be subject to the achievement of performance conditions, and pro-rating in respect of his period of employment. He will not receive a PSP award in 2025. PSP awards will continue to be subject to the post-vesting holding periods in accordance with the rules of the PSP. Craig's unvested CSOP awards will vest on the normal vesting dates, subject to the achievement of performance conditions and pro-rating in respect of his period of employment. He will not receive a CSOP award in 2025 and CSOP awards will continue to be subject to post-vesting holding periods in accordance with the rules of the CSOP.

Malus and clawback provisions will apply to any awards or payments made to Craig under any of the above award and share plans.

Shares held in the Share Incentive Plan (SIP) will be released to Craig on leaving in accordance with the rules of the SIP. In line with the Directors' Remuneration Policy, Craig will be required to maintain a shareholding equivalent to 200% of his base salary from the date he retired from the Board (or the actual shareholding held at cessation, if the value is lower) for two years post cessation.

Craig will receive no additional compensation or payment for the termination of his service contract or his ceasing to be a director of the Company or any other Group Company or any other Group Company, except for the Company paying legal fees up to £25,000 plus VAT.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

Joining arrangements for Caroline Waddington

Caroline Waddington was appointed Chief Financial Officer and was appointed to the Board on 16 September 2024. She receives a base salary of £625,000. Caroline's pension level is 10% of base salary, in line with other new joiners to the Company. Her maximum annual bonus is set at 175% of base salary for 2025, and her maximum PSP grant is 200% of base salary, both below the maximum level in the approved Policy. To compensate Caroline for the forfeiture of her UBS annual bonus for 2024, Caroline will receive an annual bonus for 2024 based on a full year's service. Caroline also received buyout cash awards with a value of £527,989 and buyout share awards with a value of £735,235 to replace the awards she held at UBS and that were forfeited on cessation of employment.

The buyout cash awards consist of the following: a payment of £76,877 to compensate Caroline for a portion of Upfront Cash Awards clawed back by UBS due to cessation of employment; conditional cash awards of £138,000 (50% vesting in March 2026 and 50% in March 2027) and £85,000 (20% vesting annually between August 2026 and August 2030); and a performance cash award of £228,112 (20% vesting in March 2031 and 80% in March 2032). The vesting of the performance cash award will be subject to St. James's Place plc and, if applicable, its subsidiary companies maintaining the levels of solvency and capital adequacy required by regulation, and operating within any applicable external banking covenants, in each case as determined by the Committee as determined by the Committee, during a performance period ending on 1 March 2029.

2.1.3 Summary of total annual bonus for 2024 performance (audited)

Bonus scorecard

The performance conditions (both financial and non-financial targets) and weightings which applied to the annual bonus were as follows:

Measure	Weighting (percentage of salary) ^{1,3}	Weighting (percentage of salary) ²	Weighting (percentage of maximum)	Threshold (20% payable)	Maximum value (100% payable)	Actual	Mark FitzPatrick ¹		Caroline Waddington ²		Craig Gentle ³	
							Payout (percentage of salary)	Payout (percentage of maximum total bonus)	Payout (percentage of salary)	Payout (percentage of maximum total bonus)	Payout (percentage of salary)	Payout (percentage of maximum total bonus)
Underlying cash result	24.0%	21.0%	12.0%	£335.0m	£385.0m	£447.2m	24.0%	12.0%	21.0%	12.0%	24.0%	12.0%
Net funds under management flows	48.0%	42.0%	24.0%	£1.0bn	£3.0bn	£4.3bn	48.0%	24.0%	42.0%	24.0%	48.0%	24.0%
Annual growth in controllable expenses	48.0%	42.0%	24.0%	£396.3m	£388.9m	£388.9m	48.0%	24.0%	42.0%	24.0%	48.0%	24.0%
Strategic objectives	40.0%	35.0%	20.0%	Assessment by the Committee of the performance of the Executive Directors			32.8%	16.4%	23.7%	13.5%	22.0%	11.0%
Individual objectives	40.0%	35.0%	20.0%				40.0%	20.0%	28.0%	16.0%	32.0%	16.0%
Total calculated payout							192.8%	96.4%	156.7%	89.5%	174.0%	87.0%

1 The weighting and payout for Mark FitzPatrick is based on a maximum bonus opportunity of 200% of base salary.

2 The weighting and payout for Caroline Waddington is based on a maximum bonus opportunity of 175% of base salary.

3 The weighting and payout for Craig Gentle is based on a maximum bonus opportunity of 200% of base salary earned up to the date he stepped down from the Board.

The details of the buyout share awards are listed in the "Buyout awards outstanding" table in section 2.1.5 of this report. A total of 103,140 shares under option were granted on 10 December 2024 (38,737 condition options and 64,403 performance options). These options will vest in various tranches as outlined in section 2.1.5. The vesting of conditional options is subject to continued employment. The vesting conditions for performance options vary depending on the performance period end date of the original awards which were forfeited and the type of performance conditions which applied to the forfeited award. For tranches of options with original performance periods ending on or before 31 December 2025 (22,664 performance options in total), the vesting level will be determined by the vesting level for the original award as disclosed in the UBS annual report for the relevant financial year. The vesting of 38,458 performance options is subject to the SJP PSP 2024 performance conditions outlined in "Granting of PSP awards in 2024" in section 2.1.4 of this report. The vesting of 3,281 performance options will be subject to St. James's Place plc and, if applicable, its subsidiary companies maintaining the levels of solvency and capital adequacy required by regulation, and operating within any applicable external banking covenants, in each case as determined by the Committee, during the relevant performance periods ending on or after 31 December 2026.

These replacement awards vest in line with the vesting dates of the awards Caroline forfeited. Where applicable, vested option will be subject to the same post-vesting holding periods as the forfeited award. Dividend equivalent shares will be added to vested options where dividend equivalents were earned on the forfeited award. The replacement awards are subject to the St. James's Place plc Malus and Clawback Policy and the malus and clawback terms which applied to the forfeited award.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

Annual bonus for 2024

The maximum bonus opportunity for Mark FitzPatrick and Craig Gentle increased to 200% of salary for 2024 following approval of the two stage increase in the Policy at the 2023 AGM. As part of her appointment terms, it was agreed that Caroline Waddington would have a maximum bonus opportunity of 175% of base salary for 2024, based on a full year's service of which 8.5 months related to the buyout of bonus foregone. As shown in the table on page 101, 60% of the annual bonus was determined by a scorecard of financial performance metrics, 20% by strategic objectives and 20% by individual performance objectives.

Financial performance metrics

The scorecard of financial performance metrics were as follows:

Metric	Alignment with strategy
Underlying cash result	Recognises annual cash profitability, which is an important driver of dividends and future investment in the business.
Net funds under management flows	Reflects both new business and client retention and is a driver of sustained profit growth.
Annual growth in controllable expenses	Keeping cost growth below the rate of growth in revenues is a key determinant of profit growth.

As shown in the table on page 101, the maximum targets for all the financial performance metrics were met and 60% of the maximum bonus will payout based on these measures.

The details of the strategic objectives are as follows:

Strategic Performance Objective	Measure/target	Outcome
Building community		
Partner sentiment	Overall score based on proposition rating criteria in Partner engagement survey	Achieved in-line with target
Employee engagement	Employee engagement score based on blended result of key employee survey questions.	High engagement with employee survey however challenges to sentiment given significant change in-year (e.g. consultation), key themes to be addressed in 2025. Overall outcome below target
Being easier to do business with		
Digital performance	Blended performance against dashboard of adoption and sentiment measures for key digital tools & initiatives	Improvements across key metrics through year driving achievement close to target
Administration performance	Improved administration service by delivering reduced average error rate	Achieved in-line with target

Strategic performance objectives

Mark FitzPatrick and Craig Gentle were set the following strategic performance objectives:

Strategic Performance Objective	Mark FitzPatrick		Craig Gentle	
	Weighting (percentage of maximum bonus)	Payout (percentage of maximum bonus)	Weighting (percentage of maximum bonus)	Payout (percentage of maximum bonus)
Partner Sentiment	7.0%	7.0%	N/A	N/A
Employee engagement	2.0%	0.6%	5.0%	1.5%
Digital Performance	3.5%	2.1%	N/A	N/A
Administration Performance	3.5%	3.5%	N/A	N/A
Risk and control environment	2.0%	1.2%	5.0%	3.0%
Inclusion and Diversity	2.0%	2.0%	5.0%	5.0%
Culture	N/A	N/A	5.0%	1.5%
Total	20.0%	16.4%	20.0%	11.0%

As Caroline Waddington was appointed on 16 September 2024, the Committee determined that the strategic objectives element of her bonus would be calculated based on the aggregate of the strategic objectives outcomes for the members of the Group Executive Committee (GEC) excluding Mark FitzPatrick. This included the following additional objectives: Client Sentiment; Investment Performance; and Investment risk and controls. This resulted in a payout of 13.5% out of 20% of bonus.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

Strategic Performance Objective	Measure/target	Outcome
Delivering value to advisers and clients through our investment proposition		
Investment performance	Assessment of investment performance across our funds & portfolios	Significant outperformance vs peers but underperformance vs challenging market benchmarks led to outcome close to stretch target
Investment risk and controls	Qualitative assessment of progress across investment risk and controls priorities	Achieved in-line with target
Building and protecting our brand and reputation		
Risk and control environment	Quantitative and qualitative blended assessment of our risk and control environment in-line with our risk appetite	Leadership positively influenced risk culture and continued to drive improvements in risk management across the business
Client sentiment	Client Satisfaction score measured via annual client survey	Achieved in-line with target
Our culture and being a responsible business (ESG)		
Inclusion and diversity	Performance against annual targets for female and minority ethnic employee and senior representation	Achieved in-line with target with 37.3% female representation in senior management roles, 9.5% minority ethnic representation in our UK employee population and 9.4% minority ethnic representation in senior management roles
Culture	Culture score based on blended result of key culture indicator questions in employee engagement survey	High engagement with employee survey however challenges to sentiment given significant change in-year (e.g. consultation), key themes to be addressed in 2025. Overall outcome below target

Individual performance objectives

Mark FitzPatrick

Mark achieved all of his individual objectives which related to Culture; Regulatory Matters; Reputation; Strategy and People. For Culture, launching a campaign to set out expectations of our corporate culture with a view to enhancing a more open and less siloed environment where people feel more empowered and willing to share views openly. For Regulatory Matters, continue to create an environment where there is a strong relationship with the regulator and issues are clearly known, understood and actioned appropriately. For Reputation, further developing the positive external perception of our stakeholders with a clear approach of working with the media and partnership across multiple channels. For Strategy, creating a new strategic plan for 2030 that provides the Board with the confidence to support it and our people and Partnership the energy to strive towards it. For People, continue to create a leadership team capable of executing on the strategy, being a role model for our values and behaviours and that accelerates our growth agenda.

Caroline Waddington

Caroline has made an impressive start, working well with GEC members, her finance team and leading the restructuring project.

Craig Gentle

Craig delivered on his key objectives – most notably ensuring that financial information production and dissemination was on time, to quality. The finance function, and Craig, were instrumental in helping to shape restructuring costs saving and reinvestment windows and in determining the new dividend policy for the Board to consider. The treasury function and credit providers were carefully managed and interacted with. Expenditure controls in the UK were effective.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

2024 performance against bonus scorecard (including Committee discretion)

The table below sets out performance against financial and non-financial targets under the bonus scorecard, and the effect of the Committee's overriding discretion on the final outcome. The table also shows the portion of the annual bonus awarded in cash and the portion awarded in deferred shares.

	Mark FitzPatrick	Caroline Waddington	Craig Gentle
Financial targets (% of base salary)	120.0%	105.0%	120.0%
Strategic objectives (% of base salary)	32.8%	23.7%	22.0%
Individual objectives (% of base salary)	40.0%	28.0%	32.0%
Committee discretion (% of base salary)	0.0%	0.0%	0.0%
Final bonus outcome (% of base salary)	192.8%	156.7%	174.0%
Maximum opportunity for 2024 (% of base salary)	200%	175%	200%
Final bonus outcome (% of maximum)	96.4%	89.5%	87.0%
Cash amount	£830,527	£489,687	£323,343
Deferred amount	£830,527	£489,688	£323,344

2.1.4 Long-term incentive awards (audited)

Vesting of Performance Share Plan awards

On 31 December 2024, the awards made on 25 March 2022 under the PSP reached the end of their three-year performance period. As outlined below, these awards did not meet the minimum performance hurdles and therefore no shares will vest. The performance conditions which applied to the 2022 PSP awards, and the actual performance achieved against these conditions, are set out in the table below:

Performance hurdle	TSR relative to the FTSE 51 to 150 ¹		Average annual adjusted EPS growth in excess of RPI ²	
	Performance required	Percentage of one third of award vesting	Performance required	Percentage of two thirds of award vesting
Below threshold	Below median	0%	Below 5%	0%
Threshold	Median	25%	5%	25%
Stretch or above	Upper quartile or above	100%	12% or above	100%
Actual achieved ³	71 out of 78 companies	0%	0%	0%

1 FTSE 51 to 150 index excluding investment trusts and companies in the FTSE oil, gas and mining sectors.

2 The EPS performance condition is calculated by reference to the post-tax EEV operating profit (on a fully diluted per-share basis). This measure excludes the direct impact of stock market fluctuations and changes in economic assumptions on the final year's performance.

3 No discretion was exercised by the Committee to override the outcome referred to above.

Granting of PSP awards in 2024

Details of PSP awards (nil-cost options) granted to the Executive Directors in 2024 are set out in the table below. As discussed in last year's Remuneration Report, the Committee applied a downward adjustment to the PSP award for Craig Gentle, reducing it to 215% of base salary rather than the normal award of 250% of base salary, to take account of the impact of the significant fall in share price in 2023. As Mark FitzPatrick was new in role, his award was not subject to downward adjustment.

Director	Type of award	Basis of award granted	Average share price at date of grant	Number of SJP shares over which award was granted ^{1,2}	Face value of award (£'000)	Percentage of face value that would vest at threshold performance
Mark FitzPatrick	Nil-cost option	250% of salary of £840,000	£4.5243	464,160	£2,099,999	25%
Craig Gentle ³	Nil-cost option	215% of salary of £466,612	£4.5243	221,739	£1,003,214	25%

1 The number of shares awarded was calculated based on the average of the mid-market share prices over a period of three days prior to the date of grant on 25 March 2024, being £4.5243 per share. The face value of the award figure is calculated by multiplying the number of shares awarded by the average share price figure of £4.5243.

2 PSP awards are structured as nil-cost options and therefore no exercise price is payable on exercise. Dividend equivalents accrue to the Executive Directors between the date of grant and exercise of the award (up to a maximum of six years from date of grant) but are released only to the extent that awards vest. Awards in 2024 were based on the achievement of three metrics: (a) TSR performance relative to a composite benchmark of the FTSE 51 to 150, excluding investment trusts and companies in the oil, gas and mining sectors for one-third of the award. For the TSR performance metric element, 25% vests at median, with a straight-line relationship to 100% vesting for upper quartile performance; (b) EPS using EEV adjusted profit for one-third of the award. This is by reference to the post-tax EEV operating profit (on a fully diluted per-share basis). This metric excludes the direct impact of stock market fluctuations and changes in economic assumptions on the final year's performance, for one-third of the award; and (c) EPS using Cash result profits for one-third of the award. For the EPS performance metric elements, a threshold and stretch level of performance is set. At threshold, 25% of the relevant element vests, rising on a straight-line basis to 100% for attainment of levels of performance between threshold (EPS in 2026 using EEV adjusted profit of 116.06 pence per share and EPS in 2026 using Cash result profits of 45.38 pence per share) and maximum (EPS in 2026 using EEV adjusted profit of 143.65 pence per share and EPS in 2026 using Cash result profits of 55.86 pence per share) targets. These awards also have a post-vesting holding period of two years from the vesting date.

3 Craig Gentle's award is subject to pro-rating in respect of his period of employment until 12 June 2025.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

2.1.5 Share awards (audited)

The tables below set out details of share awards that have been granted to individuals who were Executive Directors during 2024 and which had yet to vest or be exercised at some point during the year. With the exception of the buyout awards granted to Mark FitzPatrick and Caroline Waddington, the performance periods for share awards run for a period of three years, ending on 31 December of the year immediately preceding the vesting date.

Buyout awards outstanding

Director	Date of grant	Market price at grant (£) ¹	Shares originally awarded	Face value (£) ¹	Shares vested	Vesting date	Dividend equivalents added to vested awards	Shares exercised including dividend equivalents	Shares lapsed	Remaining unexercised at 31 Dec 2024
Mark FitzPatrick	24 Oct 2023	6.4388	14,873	95,764	4,101 ²	17 May 2024	102	0	10,772 ²	4,203
	24 Oct 2023	6.4388	34,513	222,222	–	4 April 2025 ^{3,13}	–	–	–	34,513
	24 Oct 2023	6.4388	50,658	326,177	–	27 May 2025 ^{3,13}	–	–	–	50,658
Caroline Waddington	10 Dec 2024	7.1280	19,229	137,064	–	Various ^{4,13}	–	–	–	19,229
	10 Dec 2024	7.1280	19,229	137,064	–	Various ^{4,13}	–	–	–	19,229
	10 Dec 2024	7.1280	314	2,238	–	25 Mar 2025 ¹³	–	–	–	314
	10 Dec 2024	7.1280	1,261	8,988	–	Various ^{5,13}	–	–	–	1,261
	10 Dec 2024	7.1280	2,213	15,774	–	Various ^{6,13}	–	–	–	2,213
	10 Dec 2024	7.1280	2,434	17,350	–	Various ^{7,13}	–	–	–	2,434
	10 Dec 2024	7.1280	1,853	13,208	–	Various ^{8,13}	–	–	–	1,853
	10 Dec 2024	7.1280	188	1,340	–	25 Mar 2025 ¹⁴	–	–	–	188
	10 Dec 2024	7.1280	757	5,396	–	Various ^{5,14}	–	–	–	757
	10 Dec 2024	7.1280	1,328	9,466	–	Various ^{6,14}	–	–	–	1,328
	10 Dec 2024	7.1280	1,461	10,414	–	Various ^{9,14}	–	–	–	1,461
	10 Dec 2024	7.1280	1,327	9,459	–	Various ^{9,14}	–	–	–	1,327
	10 Dec 2024	7.1280	14,588	103,983	–	Various ^{10,15}	–	–	–	14,588
	10 Dec 2024	7.1280	8,804	62,755	–	Various ^{11,13}	–	–	–	8,804
10 Dec 2024	7.1280	4,914	35,027	–	Various ^{9,13}	–	–	–	4,914	
10 Dec 2024	7.1280	19,088	136,059	–	Various ^{10,15}	–	–	–	19,088	
10 Dec 2024	7.1280	4,152	29,595	–	Various ^{12,13}	–	–	–	4,152	

1 The face value of the award is calculated by multiplying the number of shares awarded by the market price at grant (for awards granted on 24 October 2023, this was calculated using the average share price figure over a period of five days prior to the date of grant and for awards granted on 10 December 2024, this was calculated using the average share price figure over a period of five days prior to 16 September 2024).

2 27.58% of the award vested on 17 May 2024 and 72.42% of the award lapsed on the same date. The vesting level was determined by the vesting level of the Prudential LTIP 2021 award as disclosed in the Prudential plc Annual Report 2023 and approved by the Committee. The vested options are available to exercise until 17 May 2027.

3 The performance period for Mark FitzPatrick's awards which vest on 4 April 2025 and 27 May 2025 is from 1 January 2024 to 31 December 2024.

4 The vesting dates and the percentage of the award due to vest on each date are as follows: 25 March 2027 (26%); 25 March 2028 (26%); 25 March 2029 (26%); and 25 March 2030 (22%).

5 The vesting dates are 25 March 2025 and 25 March 2026. 50% of the award is due to vest on each date.

6 The vesting dates are 25 March 2025; 25 March 2026 and 25 March 2027. One-third of the award is due to vest on each date.

7 The vesting dates are 25 March 2025; 25 March 2026; 25 March 2027 and 25 March 2028. 25% of the award is due to vest on each date.

8 The vesting dates and the percentage of the award due to vest on each date are as follows: 25 March 2025 (4.52%); 25 March 2026 (23.87%); 25 March 2027 (23.87%); 25 March 2028 (23.87%); and 25 March 2029 (23.87%).

9 The vesting dates are 25 March 2025; 25 March 2026; 25 March 2027; 25 March 2028 and 25 March 2029. 20% of the award is due to vest on each date.

10 The vesting dates are 25 March 2026; 25 March 2027; 25 March 2028; 25 March 2029 and 25 March 2030. 20% of the award is due to vest on each date.

11 The vesting dates are 25 March 2028; 25 March 2029 and 25 March 2030. One-third of the award is due to vest on each date.

12 The vesting dates are 25 March 2026 and 25 March 2027. 50% of the award is due to vest on each date.

13 Vesting subject to performance conditions and continued employment. Vested awards will be subject to post-vesting holding periods.

14 Vesting subject to continued employment (no performance conditions). Vested awards will not be subject to post-vesting holding periods.

15 Vesting subject to continued employment (no performance conditions). Vested awards will be subject to post-vesting holding periods.

16 The awards are in the form of nil-cost options. The 24 October 2023 awards were granted under the rules of the Performance Share Plan and are subject to the performance conditions outlined in section 2.1.1. Vested awards will be subject to a two-year holding period from the relevant vesting date. The 10 December 2024 awards were granted under the terms of a buyout award deed pursuant to Listing Rule 9.3.2(2). The share awards were granted under a Listing Rule 9.3.2(2) arrangement to facilitate the recruitment of Caroline Waddington as the rules of the PSP did not permit conditional share awards without performance conditions to be granted. Where applicable, post-vesting holding periods end on the same date as the post-vesting holding periods which applied to the original award which the buyout award relates to.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

Performance Share Plan awards outstanding

Director	Date of grant	Market price at grant (£)	Shares originally awarded	Face value (£) ¹	Shares vested ⁶	Vesting date	Dividend equivalents added to vested awards	Shares exercised including dividend equivalents ⁵	Shares lapsed	Remaining unexercised at 31 Dec 2024
Mark FitzPatrick	25 Mar 2024 ²	4.5243	464,160	2,100,000	–	25 Mar 2027	–	–	–	464,160
Craig Gentle	25 Mar 2021	12.6700	64,856	821,726	–	25 Mar 2024	–	–	64,856 ⁵	–
	25 Mar 2022	14.6400	72,992	1,068,238	–	25 Mar 2025 ³	–	–	–	72,992
	3 May 2023 ⁴	11.9683	93,719	1,121,657	–	3 May 2026	–	–	–	93,719
	25 Mar 2024 ^{2,4}	4.5243	221,739	1,003,214	–	25 Mar 2027	–	–	–	221,739

1 The face value of the award is calculated by multiplying the number of shares awarded by the market price at grant (the average share price figure over a period of three days prior to the date of grant). All awards are in the form of nil-cost options.

2 The performance conditions for the awards granted on 25 March 2024 are outlined in the 'Granting of PSP awards in 2024' section on page 104.

3 The three-year performance period for the awards which are due to vest on 25 March 2025 ended on 31 December 2024.

4 Craig Gentle's awards are subject to pro-rating in respect of his period of employment until 12 June 2025, as detailed on page 93.

5 Lapsed due to the minimum performance conditions not being met.

6 There are no vested but unexercised options.

Company Share Option Plan options outstanding (linked to PSP awards)

Director	Date of grant	Option price (£)	Share options originally awarded	Grant value (£) ¹	Share options vested	Vesting date	Share options exercised ²	Share options lapsed	Remaining unexercised at 31 Dec 2024
Mark FitzPatrick	25 Mar 2024	4.5243	13,261	59,997	–	25 Mar 2027	–	–	13,261
Craig Gentle	25 Mar 2022	14.635	1,749	25,597	–	25 Mar 2025	–	–	1,749
	3 May 2023 ²	11.9683	2,874	34,397	–	3 May 2026	–	–	2,874

1 The grant value of the award is calculated by multiplying the number of shares options awarded by the option price (the average share price figure over a period of three days prior to the date of grant).

2 Craig Gentle's 3 May 2023 award is subject to pro-rating in respect of his period of employment until 12 June 2025, as detailed on page 93.

All share options are in the form of tax-advantaged CSOP options which are linked to the PSP award granted on the same date shown in the PSP awards outstanding table above. The CSOP options are subject to the same performance conditions as the linked PSP award. On the exercise of vested CSOP options, shares will lapse from the linked PSP award equivalent in value to the gain achieved on the exercise of the CSOP options.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

Deferred Bonus Plan (DBP) – shares held during 2024

The table below sets out details of the awards held by the Executive Directors under the deferred element of the annual bonus scheme during 2024:

Director	Balance at 1 January 2024	Released in year ¹	Awarded in year	Balance at 31 December 2024 ¹	Vesting date
Craig Gentle	23,091	–	–	23,091	25 Mar 2025
	20,567	–	–	20,567	24 Mar 2026
	–	–	19,188	19,188	25 Mar 2027

¹ Outstanding awards at the year-end relate to deferred shares awarded in 2022, 2023 and 2024 which were earned in 2021, 2022 and 2023 respectively. The share price used to calculate the 2022 award was £12.90 (the average of the mid-market share prices for 1, 2 and 3 March 2022), for the 2023 award was £11.93 (the average of the mid-market share prices for 21, 22 and 23 March 2023) and for the 2024 award was £4.5243 (the average of the mid-market share prices for 20, 21 and 22 March 2024). The face value of the deferred shares awarded in 2024 was £86,812 at the time of award. The awards are not subject to performance conditions.

² Deferred share awards are held as Restricted Shares in the Group's Employee Share Trust until the vesting date.

Further details of the deferred element of the annual bonus scheme are set out on page 120. Dividends accrue to the Executive Directors during the three-year period that the shares are subject to forfeiture, and details of these dividends are set out on page 120.

Save As You Earn (SAYE) share option scheme – shares held during 2024

Details of the options held by the Directors in 2024 under the SAYE scheme and any movements during the year are as follows:

Director	Options held at 1 January 2024	Granted in year	Lapsed in year ¹	Exercised in year	Options held at 31 December 2024	Exercise price	Dates from which exercisable
Mark FitzPatrick	–	2,748	–	–	2,748	£4.05	1 May 2027 to 31 October 2027
Craig Gentle	843	–	843	–	–	£12.81	1 November 2024 to 30 April 2025

¹ Craig Gentle's SAYE option lapsed on 24 October 2024 following the withdrawal of the amount saved prior to the maturity date.

At 31 December 2024 the mid-market price for the Company's shares was £8.68. The range of prices between 1 January 2024 and 31 December 2024 was between £4.02 and £9.14.

Share Incentive Plan – shares held during 2024

The table below sets out details of the awards held by the Directors under the Share Incentive Plan during 2024:

Director	Balance at 1 January 2024	Partnership shares allocated in year ¹	Matching shares allocated in year ²	Dividend shares allocated in year ³	Balance at 31 December 2024 ⁴	Holding period (matching shares)
Mark FitzPatrick	–	397	39	3	439	25 March 2024 to 25 March 2027
Craig Gentle	188	–	–	–	188	24 March 2017 to 24 March 2020
	192	–	–	–	192	25 March 2019 to 25 March 2022
	156	–	–	–	156	25 March 2021 to 25 March 2024
	165	–	–	–	165	24 March 2023 to 24 March 2026
	–	397	39	–	436	25 March 2024 to 25 March 2027

¹ Partnership shares are shares awarded in return for an investment of between £10 and £1,800. Partnership shares were purchased on behalf of Mark FitzPatrick and Craig Gentle on 25 March 2024 at a price of £4.5243 per share, in return for £1,800 being deducted from their pre-tax salaries.

² For every ten Partnership shares acquired, the Company awards one matching share. Matching shares were also awarded on 25 March 2024 in relation to the Partnership shares mentioned above.

³ Dividend shares were purchased on 24 September 2024 at a price of £7.2574 per share.

⁴ The Partnership, dividend and matching shares will be held by an employee benefit trust on behalf of the Director. The matching and dividend shares must be held for a minimum period of three years from the date of the award/purchase.

Between 1 January 2025 and 26 February 2025, there were no exercises or other dealings in the Company's share awards by the Directors.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

2.1.6 Shareholding requirements and Directors' share interests (audited)

Shareholding requirements

To align the long-term interests of Executive Directors and shareholders Executive Directors are required to build up a shareholding in Company shares. The Chief Executive Officer is required to build up a shareholding equivalent to 300% of salary and the Chief Financial Officer is required to build up a shareholding equivalent to 200% of salary. The table sets out the shareholdings of the Executive Directors. Mark FitzPatrick's shareholding will build as his awards have started to vest from 2024 and Caroline Waddington's shareholding will build as her awards start to vest from 2025 onwards. Until the shareholding requirements are met, at least 50% of vested shares from the PSP and other share awards (less tax liability) will normally be retained by the Executive Director.

Director	Shares held at 1 January 2024	Shares held at 31 December 2024	Percentage of base salary held in SJP shares as at 31 December 2024 ¹
Mark FitzPatrick	–	439	0.4%
Craig Gentle ²	141,652	161,276	205%
Caroline Waddington	–	–	0%
Dominic Burke ³	–	–	
Simon Fraser	–	–	
Emma Griffin	2,275	2,331	
Rosemary Hilary	–	–	
John Hitchins	–	–	
Paul Manduca	27,000	27,000	
Lesley-Ann Nash	–	–	

- 1 Calculated using the mid-market price at 31 December 2024 of £8.68 and the base salary as at 31 December 2024 for Mark FitzPatrick and Caroline Waddington. Calculated using the mid-market price at 11 October 2024 of £7.64 and the base salary as at 11 October 2024 for Craig Gentle. The overall percentage of base salary excludes the value of shares that would need to be sold to meet the notional tax and employee National Insurance contributions on DBP awards that remained in their periods of deferral.
- 2 Craig Gentle stepped down from the Board on 11 October 2024 (see page 93). He is subject to a post-cessation shareholding requirement which requires him to hold shares equivalent to 200% of his salary as at 11 October 2024 up to the second anniversary of the date he retired from the Board.
- 3 Dominic Burke retired from the Board on 31 January 2024.
- 4 The interests of the Executive Directors set out on this page include the gross number of shares held in trust for the Directors for DBP awards which are subject to a three-year continuous service requirement, details of which are set out on page 107. The interests of the Executive Directors also include awards under the Share Incentive Plan, details of which are set out on page 107. They also include shares which are beneficially owned and are subject to a post-vesting holding period following the exercise of PSP options. Unexercised share options are not included.
- 5 The Company's register of Directors' interests contains full details of Directors' shareholdings and any share awards under the Company's various share schemes.
- 6 Disclosure of the Directors' interests in share awards is made on pages 105 to 107 and also in Note 27 – Related party transactions.

Between 1 January 2025 and 26 February 2025, there were no transactions in the Company's shares by the Directors.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

Executive Directors' shareholdings and outstanding share awards

	Beneficially owned at 31 December 2024 ¹	Outstanding PSP awards (performance conditions) ²	Outstanding unvested buyout awards (performance conditions) ³	Outstanding unvested buyout awards (no performance conditions) ³	Outstanding vested buyout awards (unexercised options) ³	Outstanding SAYE options (no performance conditions) ⁴	Outstanding DBP awards (no performance conditions) ⁵	Outstanding SIP shares (no performance conditions) ⁶
Mark FitzPatrick	439	464,160	85,171	–	4,203	2,748	–	439
Craig Gentle ⁷	161,276	388,450	–	–	–	–	62,846	1,137
Caroline Waddington	–	–	64,403	38,737	–	–	–	–

1 Beneficially owned shares include those DBP awards and SIP shares set out in columns 8 and 9 above.

2 Details of the PSP awards are set out on page 106.

3 Details of the buyout awards (including options that are unvested and those that are vested but have not been exercised) are set out on page 105.

4 Details of the SAYE options are set out on page 107.

5 Details of DBP awards are set out on page 107.

6 Details of the SIP shares are set out on page 107.

7 Craig Gentle's shareholdings and outstanding share awards are as at the date he stepped down from the Board (11 October 2024).

2.1.7 Dilution (unaudited)

Dilution limits agreed by shareholders at the time of shareholder approval of the various long-term incentive schemes allow for up to 10% of share capital in ten years to be used for grants to employees and members of the St. James's Place Partnership under all share schemes (i.e. both the employee and Partner share schemes), and up to 5% of share capital in ten years to be used for grants to employees under discretionary schemes. These limits comply with the Investment Association dilution guidelines on the issue of new shares.

The table to the right sets out, as at 31 December 2024, the number of new ordinary shares in the Company which have been issued, or are capable of being issued (subject to the satisfaction of any applicable performance conditions), as a result of options or awards granted under the various long-term incentive schemes operated by the Company in the ten years prior to 31 December 2024.

Share scheme	Number of new ordinary shares of 15 pence each	Percentage of total issued share capital as at 31 December 2024
SAYE schemes	5,291,027	0.97%
Executive share schemes	16,245,051	2.99%
Partners' share schemes	10,840,263	1.99%
Total	32,376,341	5.95%

In addition, as at 31 December 2024, the Group's Employee Share Trust held 4,209,800 shares in the Company which were acquired to meet awards made under the PSP, CSOP, DBP, RSP, buyout awards and SAYE. The number of shares in the Company held in the Share Incentive Plan Trust as at 31 December 2024 was 666,564.

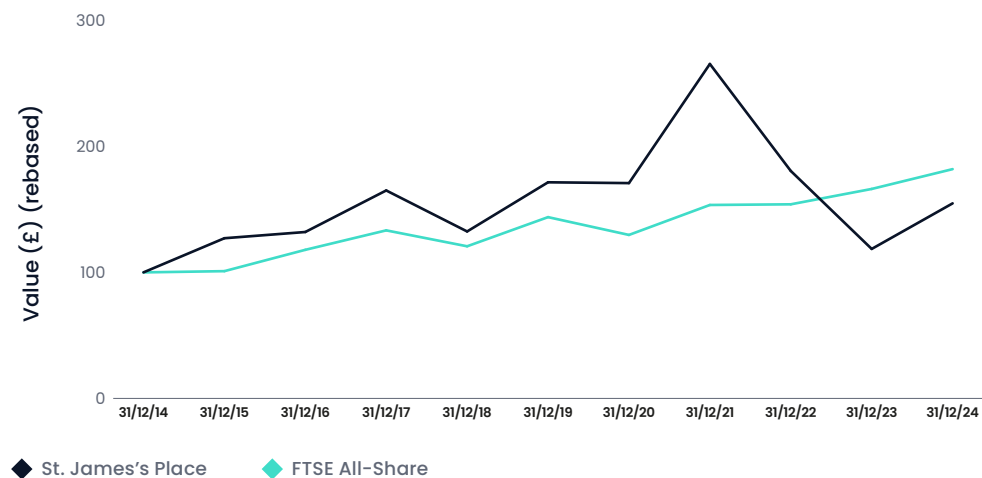
Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

2.1.8 Total shareholder return performance and CEO pay over the same period (unaudited)

The graph to the right shows a comparison of the Company's TSR performance against the FTSE All-Share Index over the last ten financial years. The Company considers this to be the most appropriate comparator index, given the broad nature of the index and the companies within it.

This graph shows the value, by 31 December 2024, of £100 invested in St. James's Place on 31 December 2014, compared with the value of £100 invested in the FTSE All-Share Index on the same date. The other points plotted are the values at intervening financial year-ends.



The table below shows the total remuneration figure for the Chief Executive Officer over the last ten financial years. The total remuneration figure includes the annual bonus and long-term incentive awards which vested based on performance in those years (and ending in that year for PSP scheme awards).

	Year ending 31 December										
	David Bellamy				Andrew Croft				Mark FitzPatrick		
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2023	2024
Total remuneration (£)	3,115,230	2,631,667	2,458,020	1,886,774	1,421,729	812,678	3,141,423	3,115,406	695,545	257,469	3,389,958
Annual bonus (% of maximum)	93.3%	96.67%	96.67%	62%	37.5%	0%	96.7%	77.1%	0%	–	96.4%
LTIP vesting (% of maximum)	100%	100%	87.94%	85.3%	62.9%	9%	93.4%	86.4%	0%	–	–

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

2.1.9 Percentage change in remuneration of all Directors and employees (unaudited)

As the Company has no employees, the table below shows the percentage change in the salary/fee, benefits and annual bonus for each Director against all UK employees of the Group over the last five years.

Remuneration element	Average employee (% change)	Executive Directors (% change)				Remuneration element	Average employee (% change)	Non-executive Directors (% change) ⁵							
		M FitzPatrick ³	C Waddington ³	C Gentle ⁴	A Croft ⁴			D Burke ^{7,8}	S Fraser ⁷	E Griffin ^{7,9}	R Hilary ⁸	J Hitchins ^{7,8,9}	P Manduca ⁷	L-A Nash ⁷	
Salary/fee ¹	2024	9.1	310.2	–	(16.4)	–	2024	9.1	(88.5)	–	36.5	28.4	40.2	6.7	18.6
	2023	7.5	–	–	4.8	(4.0)	2023	7.5	593.6	–	12.3	3.4	16.7	–	0.9
	2022	7.4	–	–	3.3	3.3	2022	7.4	–	–	18.6	20.6	765.1	22.6	31.1
	2021	–	–	–	5.8	5.8	2021	–	–	–	18.1	34.3	–	–	71.4
	2020	5.0	–	–	(2.2)	(2.2)	2020	5.0	–	–	–	686.2	–	–	–
Benefits ²	2024	6.0	13.2	–	(33.4)	–	2024	6.0	–	–	(25.9)	75.5	(100)	205.9	755.2
	2023	8.6	–	–	184.7	(5.2)	2023	8.6	–	–	61.3	100	100	(39.8)	32.9
	2022	3.3	–	–	1.1	1.1	2022	3.3	–	–	239.0	(100)	–	2,572.6	(94.6)
	2021	5.6	–	–	1.6	1.7	2021	5.6	–	–	62.9	(58.5)	–	–	–
	2020	3.1	–	–	(6.1)	–	2020	–	–	–	–	–	–	–	–
Bonus	2024	77.7	100	–	272.4	–	2024	77.7	–	–	–	–	–	–	–
	2023	(28.7)	–	–	(64.6)	(100)	2023	(28.7)	–	–	–	–	–	–	–
	2022	9.5	–	–	(17.6)	(17.6)	2022	9.5	–	–	–	–	–	–	–
	2021	–	–	–	–	–	2021	–	–	–	–	–	–	–	–
	2020	(100)	–	–	(100)	(100)	2020	(100)	–	–	–	–	–	–	–

1 The change in the salary for average employees is higher in 2022, 2023 and 2024 than the average salary increase of the workforce referred to in the Chair's annual statements in prior years due to salary increases in respect of promotions and role changes being taken into account. Additionally, the consolidation of car allowance into base salaries contributed to the salary increases in 2024.

2 See the Benefits note on page 99 for further details on the benefits for Directors.

3 Mark FitzPatrick was appointed to the Board on 1 October 2023 and as Chief Executive Officer on 1 December 2023 and Caroline Waddington was appointed to the Board and as Chief Financial Officer on 16 September 2024.

4 Craig Gentle stepped down from the Board on 11 October 2024 and Andrew Croft stepped down from the Board on 30 November 2023.

5 The fees for Non-executive Directors for 2022 were split into a base fee and a separate committee membership fee. The total for these two elements resulted in an increase of 1.6% for 2022.

6 The Directors in office at the time each agreed to a 20% reduction of base salaries/fees for May, June and July 2020. The reduction is reflected in the changes for 2021.

7 Emma Griffin and Lesley-Ann Nash were appointed during 2020. Paul Manduca and John Hitchins were appointed in 2021, Dominic Burke was appointed in 2022 and Simon Fraser was appointed in 2024. John Hitchins was appointed to the Board of St. James's Place UK plc during 2022, Emma Griffin stepped down as Chair to the Board of St. James's Place Unit Trust Group Limited during 2023. John Hitchins joined the Board of St. James's Place Wealth Management plc in 2024. Dominic Burke stepped down from the Board on 31 January 2024.

8 The significant increase in a) Rosemary Hilary's fee in 2020 was due to her not having served a full year in 2019; b) John Hitchins' fee in 2022 was due to him having not served a full year in 2021; and c) Dominic Burke's fee in 2023 was due to him having not served a full year in 2022. The significant decrease in Dominic Burke's fee in 2024 was due to him not serving a full year in 2024.

9 The increase in Emma Griffin's and John Hitchins' fees in 2024 takes account of them serving as Chairs of the Group Remuneration Committee and Group Audit Committee respectively and members of the Group Nomination and Governance Committee for a full year, having been appointed to the roles part way through 2023. The increase in Lesley-Ann Nash's fee in 2024 was in part due to her joining the Group Audit Committee during the year. Fees for Directors serving on Committees (including as chair) and subsidiary boards were also higher in 2024 than in 2023.

Report of the Group Remuneration Committee continued

2.1 How the Remuneration Policy was applied in 2024 continued

2.1.10 Relative importance of spend on pay (unaudited)

The following table sets out the percentage change in profit, dividends and overall spend on pay in the year ending 31 December 2024, compared to the year ending 31 December 2023.

	2024	2023	Percentage change
	£'Million	£'Million	
Executive Directors' remuneration ¹	5.7	1.8	227%
IFRS profit after tax ²	398.4	(9.9)	N/A
European Embedded Value (EEV) operating profit after exceptional items before tax ²	1,045.0	(1,891.6)	N/A
Dividends	98.1	130.3	(25)%
Share buy-back programme	32.9	–	–
Employee remuneration costs	317.8	253.4	25%

¹ Calculated on the same basis as the single total figure of remuneration on page 98 for Executive Directors in office as at 31 December 2024.

² IFRS profit after tax has been presented to enable comparison between different companies, as it is a measure defined by International Financial Reporting Standards. EEV operating profit after exceptional items before tax is an alternative performance measure (for further details see the glossary of alternative performance measures on pages 215 to 217), which has been presented as it is the financial performance measure upon which bonuses are based. Further information about these measures is set out in the financial review on pages 19 to 29.

2.1.11 CEO pay ratio (unaudited)

Year	Methodology	25th percentile pay ratio	Median pay ratio	75th percentile pay ratio
2024	Option C	73:1	53:1	36:1
2023	Option C	19:1	13:1	7:1
2022	Option C	75:1	54:1	30:1
2021	Option C	93:1	60:1	33:1
2021	Option A	87:1	56:1	31:1
2020	Option A	25:1	16:1	10:1
2019	Option A	45:1	28:1	17:1

	CEO pay	25th percentile pay	50th percentile pay	75th percentile pay
	£	£	£	£
Salary	861,455	33,208	47,167	68,917
Total pay	3,389,958	46,597	63,671	94,654

For 2024, we have continued to calculate the CEO pay ratio using Option C, as it allows us to use our existing gender pay gap information supplemented with other pay data from our Group companies. To calculate the ratio in accordance with the regulations we ranked all our UK employees by their annualised full-time equivalent salary as at 31 December 2024. From this we identified three employees at the 25th, 50th and 75th percentiles. We then calculated the total remuneration figure for each of the three employees throughout 2024, in line with the same reporting regulations that apply to our Executive Directors, which is then used to calculate the ratio to the Chief Executive Officer's remuneration. We believe the three identified employees are representative of the 25th, 50th and 75th percentiles.

In 2023, the Chief Executive Officer (Andrew Croft) did not receive an annual bonus and no share awards vested which meant the ratios were lower than the previous year. Mark FitzPatrick was appointed as Chief Executive Officer on 1 December 2023. He was not eligible for an annual bonus for 2023. For 2024, Mark is receiving an annual bonus. In addition, share buyout awards vested in 2024 and are due to vest in 2025 and their values have been included in his total pay calculation for 2024. As a larger proportion of the Chief Executive Officer's total remuneration was delivered through variable pay schemes, the pay outs in 2024 were strong, in line with his and the Company's performance. Variable pay made up a much smaller proportion of the total pay for the three employees identified at the 25th, 50th and 75th percentiles which has contributed to the ratios having increased compared to the previous year.

The median pay ratio has been broadly consistent from 2021 to 2024 with an exception in 2023 where variable pay was not paid for the Chief Executive Officer. The median ratio is consistent with our pay, reward and progression policies for employees which relate pay levels to performance and market benchmarks.



Report of the Group Remuneration Committee continued



2.2 Remuneration Committee (unaudited)

2.2.1 Role, activities and performance of the Committee

The Committee's primary purpose is to ensure that there is a clear link between reward and performance and that the Policy structure and levels of remuneration for both Executive Directors and Material Risk Takers (identified in accordance with relevant PRA and FCA requirements) are appropriate. In particular, the Committee reviews the list of those employees who are considered to be Material Risk Takers and monitors compliance with the Group's remuneration policies, as they apply to that population. When determining the appropriateness of remuneration, the Committee pays particular attention to the remuneration paid to the wider workforce (such as Director pay ratios, relative importance of spend and levels of salary increase) and the overall competitiveness of packages when compared to peers. The key responsibilities of the Committee are set out in its terms of reference, which can be found at sjp.co.uk/corporate-governance.

The Committee's key areas of activity during the year included:

Topic	Summary of activity	Find out more
Annual bonus objectives and new awards	The Committee considered and set the strategic and individual performance objectives for 2025 and agreed the bonus outcomes from 2024.	 pages 101 to 103
LTIP awards and vestings	The Committee determined the grants and performance conditions for LTIP awards to be made to Directors, senior management and Material Risk Takers. The Committee also considered whether there were any circumstances which warranted the application of malus or clawback provisions, or the exercise of discretion permitted under scheme rules.	 page 104
Assessing risk	The Committee assessed the alignment of the Group's remuneration policies with risk appetite and regulatory requirements. Assurance was sought from the Chief Risk Officer and relevant management from across the business, that the remuneration outcomes were in line with the policies and were appropriate.	

Topic	Summary of activity	Find out more
Financial services regulation	The Group's remuneration policies and practices are required to meet regulatory requirements that apply to certain Group subsidiaries. In addition, industry best practice drives the expectations of a range of stakeholders, including our regulators. During the year, the Committee considered adherence to existing requirements and the implications of the Investment Firms Prudential Regulations (IFPRs). The Committee has also considered the approach to remuneration for individuals in control functions and is responsible for setting the methodology for determining Material Risk Takers and for agreeing the list of Material Risk Takers.	
Remuneration advisers	The Committee carried out an annual review of the Committee's advisers, Alvarez and Marsal (A&M), and confirmed that the Committee continued to be satisfied with the support and advice provided and that there were no circumstances existing which would compromise A&M's independence.	 page 114
Regulatory developments and feedback from investors	Regular updates were received from the Company Secretary and the Committee's remuneration advisers on regulatory developments, investor guidelines and feedback from investor meetings. These were taken into account by the Committee when determining remuneration outcomes and the application of the Policy for 2024.	
Remuneration Policy and shareholder engagement	The Committee reviewed, consulted with shareholders and agreed on changes proposed to the Director's Remuneration Policy for approval by shareholders at the Annual General Meeting in 2025.	 pages 92 and 118
Governance and other matters	The Committee reviewed the Gender and Ethnicity Pay Gap report, its own terms of reference and the Chair's fee, and carried out an annual review of the remuneration adviser as detailed above.	

The Committee's effectiveness was reviewed by the Board as part of its overall assessment of its effectiveness (see page 71) and the Board remains satisfied that, as a whole, the Committee has the experience and qualifications necessary.

Report of the Group Remuneration Committee continued

2.2 Remuneration Committee (unaudited) continued

2.2.2 Committee membership and attendance in 2024

This is set out on page 67. No Director was present when their own remuneration was considered or agreed.

2.2.3 Advisers to the Committee

The Committee carried out a formal tender process in 2021 and appointed A&M as advisers to the Committee. A&M are signatories to the Remuneration Consultants' Code of Conduct, which requires their advice to be impartial, and they have confirmed their compliance with the Code to the Committee. A&M provided advice in relation to general remuneration matters and on proposed changes to the Policy. A&M did not provide any other services to the Company. Following an annual review, the Committee is satisfied that A&M have no connection with the Company or individual Directors which might compromise their independence or objectivity.

The total fees paid to A&M for the advice provided to the Committee during the year was £236,527. Fees are charged on a 'time spent' basis.

2.2.4 Voting at annual general meetings

The votes cast at the 2024 Annual General Meeting in respect of the resolution on the Directors' Remuneration report is summarised below.

	2024 Directors' Remuneration report vote	Percentage of votes cast	2023 Directors' Remuneration Policy vote	Percentage of votes cast
Votes for	409,172,609	93.58%	421,579,842	97.35%
Votes against	28,082,529	6.42%	11,475,885	2.65%
Total votes cast	437,255,138		433,055,727	
Total votes withheld	567,169		54,287	

2.3 Implementation of the Remuneration Policy in 2025 (unaudited)

2.3.1 2025 salaries

The base salaries of the Executive Directors were reviewed in 2024. The salaries as at 1 May 2024 (post-car allowance consolidation) and from 1 March 2025 are as shown below. These percentage increases are below the average increase levels for other employees of the Company.

Executive Director	Salary from March 2024	Salary from 1 May 2024	Salary from March 2025	Percentage increase
	£	£	£	
Mark FitzPatrick	840,000	872,182 ¹	900,527	3.25%
Caroline Waddington	–	625,000 ²	625,000	0%

¹ Mark FitzPatrick's car allowance was consolidated into base salary, in line with other employees and GEC members, effective 1 May 2024. The amount added to base salary was adjusted downward to take account of the 10% pension contribution that applies to salary. This ensured that his fixed pay was unchanged.

² Caroline Waddington's salary is from the date of her appointment on 16 September 2024.

2.3.2 Annual bonus for 2025

60% of the annual bonus will be determined by a scorecard of financial performance metrics, 20% by strategic objectives and 20% by individual performance objectives. Malus and clawback provisions apply to both the cash and deferred elements of the bonus.

Financial objectives

The scorecard of financial performance metrics is intended to:

- ◆ provide a rounded and balanced view of financial performance
- ◆ include targets that management can directly influence
- ◆ include a target relating to future growth
- ◆ recognise current year profitability.

Report of the Group Remuneration Committee continued

2.3 Implementation of the Remuneration Policy in 2025 (unaudited) continued

Metrics	Weighting (% of base salary – total 120%)	Alignment with strategy
Underlying cash result	24%	Recognises annual cash profitability, which is an important driver of dividends and future investment in the business.
Net funds under management flows	48%	Reflects both new business and client retention, and is a driver of sustained profit growth.
Annual growth in controllable expenses	24%	Keeping cost growth below the rate of growth in revenues is a key determinant of profit growth.
Cost and efficiency programmes savings	24%	This is to ensure that the savings under the programme are delivered.

Annual bonus performance targets for the 2025 metrics set out here will be disclosed in the Directors' Remuneration report for 2025, as disclosing them in the report for 2024 could have commercial disadvantages for the Company.

Strategic and individual performance objectives

For 2025, the Committee has set the Executive Directors strategic and individual performance objectives which will each have a weighting of 20% of maximum (40% of base salary). The strategic objectives align to the refreshed strategic outcomes and KPIs underpinning our annual business plan. Each outcome is equally weighted and is made up of objectives which will be scored against a set of defined KPI metrics to determine the outcome. Set out below are details of the measures for the strategic objectives. Underlying the targets set out above are a range of standards which are expected to be adhered to, i.e. culture, exclusivity, risk and regulatory and SMCR obligations. The individual performance objectives include a range of objectives which are designed to support the achievement of certain strategic outcomes.

Strategic outcomes (scorecard weighting – % of base salary – total 20%)	
Brilliant basics <ul style="list-style-type: none"> Operations 	Differentiated client proposition <ul style="list-style-type: none"> Investment performance Client satisfaction
Leading adviser offering <ul style="list-style-type: none"> Adviser advocacy Adviser quality 	Performance focused organisation <ul style="list-style-type: none"> Employee engagement and culture

2.3.3 Performance Share Plan awards for 2025

The Policy sets the maximum award capacity at 250% of base salary. In 2025, the Chief Executive Officer will receive a PSP award of 250% of salary (2024: 250%) and the Chief Financial Officer will receive a PSP award of 200% of salary (2024: n/a). These awards will be subject to a relative TSR performance condition for one-third of the award; EPS in 2027 using Cash result profits for one-third and EPS in 2027 using EEV adjusted profits for the final third, as follows:

Performance level hurdle	Performance required	TSR relative to FTSE 51 to 150 ¹	EPS in 2027 using Cash result profits ²	EPS in 2027 using EEV adjusted profit ³	Percentage of one-third of award vesting	Percentage of one-third of award vesting
		Percentage of one-third of award vesting	Performance required (pence per share)	Performance required (pence per share)		
Below threshold	Below median	0%	below 71.62	below 174.92	0%	0%
Threshold	Median	25%	71.62	174.92	25%	25%
Stretch or above	Upper quartile or above	100%	85.68	214.64	100%	100%

¹ FTSE 51 to 150, excluding investment trusts and companies in the FTSE oil, gas and mining sectors.

² One-third of the award is based on EPS in 2027 using Cash result profits.

³ One-third of the award is based on EPS in 2027 using EEV adjusted profit. This is by reference to the post-tax EEV operating profit (on a fully diluted per-share basis). This metric excludes the direct impact of stock market fluctuations and changes in economic assumptions on the final year's performance.

⁴ Straight-line vesting occurs between threshold and maximum vesting.

⁵ Awards are subject to a three-year performance period. Vested shares cannot normally be sold for a further two years other than to the extent necessary to settle tax on vesting or exercise.

⁶ Malus and clawback provisions apply.

2.3.4 Shareholding requirement

The Chief Executive Officer is required to build and maintain a shareholding equivalent to 300% of salary in the Company's shares. For the other Executive Directors, the shareholding requirement is 200% of salary.

Report of the Group Remuneration Committee continued

2.3.5 Duration of contracts

The details of existing Executive Directors' service contracts are summarised in the table below:

Executive Director	Date of service agreement	Notice period from Company	Notice period from Executive Director
Mark FitzPatrick	1 October 2023	12 months	12 months
Caroline Waddington	16 September 2024	12 months	12 months

Executive Directors' service contracts do not have fixed end dates. The Board of the Company is proposing that each of the Executive Directors be elected or re-elected at the Company's forthcoming AGM.

2.3.6 Fees for the Board Chair and Non-executive Directors for 2025

The fees for the Board Chair and Non-executive Directors for 2024 and 2025 are as set out to the right. SJP aims to provide competitive recognition and reward for all employees that reflects the nature of individual roles and enables us to attract and retain the best talent. Similarly, providing adequate compensation to all Board members is essential if the Board is to be able to recruit and retain high-calibre Directors and maintain effective succession plans for all Board roles. The fees paid to Non-executive Directors are set in line with individual responsibilities, which the Board believes will ensure that the fees paid better reflect their differing responsibilities and time commitments and will also recognise the impact on specific Committees and roles of increased complexity, workload, regulatory responsibilities and the size of the Group.

The Board (excluding the Non-executive Directors) reviewed the base fees for the Non-executive Directors, Senior Independent Director and Designated Non-executive Director for Workforce Engagement during the year and concluded that, in some cases, changes were required for 2025 in order to reflect the increased responsibility and commitments for those roles and to ensure the fees remained competitive with comparable roles elsewhere. The Board therefore agreed that the following increases should be made, commencing on 1 January 2025. The fees for Committee Chairs increased to £31,000 (2024: £30,000) and for Committee members (other than Committee Chairs) increased to £14,500 (2024: £14,000). These fees do not apply to the Chair or members of the Nomination and Governance Committee, which increased to £7,500 (2024: £7,000). Alongside the Board's review of Non-executive Director fees, the Committee also reviewed the fee for the Chair of the Board and decided that it would be increased to £413,000 (2024: £400,000). When setting the fees paid to our Non-executive Directors and the Chair for 2025, the Board and Remuneration Committee sought to ensure that they were comparable with those for listed financial services companies of a similar size.

	Fees from 1 January to 31 December 2024	Fees from 1 January to 31 December 2025	Percentage increase from 2024
	£	£	
Board Chair	400,000	413,000	3.25%
Base fee	77,000	79,000	2.60%
Committee Chair (excluding Nomination and Governance Committee)	30,000	31,000	3.33%
Audit, Risk and Remuneration Committee member (per Committee membership)	14,000	14,500	3.57%
Nomination and Governance Committee member	7,000	7,500	7.14%
Senior Independent Director	15,000	16,000	6.67%
Designated Non-executive Director for Workforce Engagement	15,000	15,000	0.00%

This Remuneration report was approved by the Board of Directors and signed on its behalf by:

Emma Griffin
Chair of the Group Remuneration Committee

26 February 2025

Report of the Group Remuneration Committee continued

Section 3 – 2025 Directors' Remuneration Policy

During the year, the Committee carried out a review of the Directors' Remuneration Policy (Policy) in preparation for the proposed new Policy being put to a vote at the AGM on 13 May 2025. The Committee decided to propose some amendments to the Policy to support the continued success of the business over the next three years and to incorporate latest developments in best practice. This section of the Directors' Remuneration report sets out the new Policy, which will be submitted for a shareholder vote at the 2025 AGM. The Committee does not intend to grant Restricted Share awards until 2026, and as set out, these are subject to a maximum 62.5% of base salary. The Committee intends to conduct a further review of the Policy during 2025 in preparation for the normal triennial vote at the AGM in 2026. The Policy can be found at sjp.co.uk/corporate-governance.

Overview of the Policy

How the Committee sets the Policy

The Committee, on behalf of the Board, draws up and recommends the Policy and determines the remuneration packages of the Executive Directors of the Company and the Chair of the Board. In addition, the Committee determines the remuneration of the senior management team (including the Chief Risk Officer) and any other employees classified as Material Risk Takers or Identified Staff under relevant financial services regulations. The Committee also oversees remuneration policy and practice for the wider employee population, including the operation of any share schemes.

Approach to, and objectives of, the Policy

Our previous Policy was approved by shareholders in the required triennial vote at the 2023 AGM with 97.35% votes in favour, and operated from 2023 to 2024. The overall approach to remuneration adopted by St. James's Place has been in place for many years. The Committee has been more robust in our implementation of that Policy to ensure that the remuneration outcomes reflect circumstances.

The Committee carried out a review of the current Policy during 2024, taking into account the business strategy for the next three years, pay and employment conditions of other employees in the Group, shareholder feedback received, latest best practice guidance and the 2024 UK Corporate Governance Code. Following the review, the Committee decided to propose amendments to the Policy to ensure the remuneration arrangements for Executive Directors continue to be in line with best practice and shareholder expectations, and that the Policy supports the business strategy. A summary of the proposed amendments to the current Policy is also provided.

The proposed new Policy is designed to meet the following objectives:

- ◆ To support the retention of individuals with the experience and skills to drive the performance of the Company.
- ◆ To ensure remuneration is transparent and reflects the performance of the Group in the relevant year and the longer term. Annual bonus and long-term incentive opportunities are therefore linked to the achievement of demanding performance targets.
- ◆ To align pay with the strategic objectives of the Company and the interests of our shareholders, whilst giving due regard to principles of best practice and relevant regulations.
- ◆ To allow the Committee to apply a broadly consistent approach to Executive Directors and other executives of the Company.

Considerations when setting the Policy

In setting the Policy for the Executive Directors, the Committee also takes into consideration a number of factors:

- ◆ The Committee applies the principles set out in the UK Corporate Governance Code and also takes into account best practice guidance issued by the major UK institutional investor bodies, the PRA and FCA (including the provisions of any applicable remuneration codes) and other relevant organisations.
- ◆ The Committee has overall responsibility for the remuneration policies and structures for employees of the Group as a whole and it reviews remuneration policy on a firm-wide basis. When the Committee determines and reviews the Policy, it considers and compares it against the pay, policy and employment conditions of the Group to ensure that there is appropriate alignment.
- ◆ The Committee considers the external market in which the Group operates and uses comparator remuneration data from time to time to inform its decisions. However, the Committee recognises that such data should be used as a guide only (recognising that data can be volatile and may not be directly relevant) and that there is often a need to phase in changes over a period of time.

The Committee's overall policy, having had due regard to the factors above, is that a substantial proportion of total remuneration should be in the form of variable pay. This is achieved by setting base pay and benefits around mid-market levels, with annual bonus and long-term incentive opportunities linked to the achievement of demanding performance targets. The Policy ensures alignment of the total remuneration paid to the Executive Directors with the interests of shareholders. Historically, the levels of annual bonus awarded, and long-term incentives awarded, to the Executives have varied considerably, reflecting the performance of the Group in the relevant year.

Executive Directors are not involved in the determination of their personal remuneration. Committee members are not permitted to vote on the implementation of the Non-Executive Director elements of the Policy that apply to them, in line with the procedures established by the Board for the management of conflicts of interest (see page 69).

Report of the Group Remuneration Committee continued

Overview of the Policy continued

Engagement with shareholders

The Committee engages with, and seeks the views of, its major investors and investor representative bodies on the Policy. The Committee also engages from time to time with shareholders when considering important questions about the implementation of the Policy. Views expressed by shareholders are considered by the Committee as part of any review of the Policy, or sooner if appropriate. The Committee has consulted with major shareholders on the proposed amendments to the Policy.

Summary of proposed amendments to the current Policy:

- ◆ To allow the Committee to make long-term incentive grants to Executive Directors in the form of Restricted Shares (share awards with a performance underpin, rather than a sliding-scale performance condition) in lieu of half of the grants of Performance Shares. The maximum Restricted Share award size will be 50% of the fair value of a Performance Shares award under the current Policy. This means the maximum grant of Restricted Shares will be 62.5% with 125% of base salary awarded in Performance Shares. This means the total award under the new Policy is the equivalent of 250% of base salary in Performance Shares – the same as the current Policy. The Restricted Share awards will be subject to the same three-year ‘cliff-vesting’ requirement (i.e. award vests after three years rather than in annual tranches) as the Performance Shares, and the same two-year post-vesting holding period – providing a total five-year period between grant and the ability to sell the shares (apart from sales to settle tax on vesting/exercise). Vesting of Restricted Share awards will also be subject to a robust underpin assessment by the Committee. The Committee will have the right to cancel or scale back vesting if it considers that there has been significant underperformance over the vesting period. The underpin assessment by the Committee will be a rounded appraisal of all aspects of performance, including: financial and return performance such as Funds Under Management flows, profitability and TSR; client acquisition, retention and satisfaction; colleague engagement; risk management and regulatory compliance; and sustainability indicators. Only awards of PSPs will be granted to Executive Directors in 2025. The Committee has not finalised how it will use Restricted Shares in the future and will do so at the appropriate time.

- ◆ To bring the annual bonus deferral into line with the latest IA guidelines. The current Policy sets the deferral percentage into shares at 50% of the annual bonus award. The proposal is to maintain this at 50% whilst an Executive Director is below their Director’s Shareholding Requirement (300% of base salary for the Chief Executive Officer and 200% of base salary for all other Executive directors), but to allow flexibility for the Committee to set a lower bonus deferral percentage once the Executive Director’s shareholding has reached and maintained the required level. This lower deferral percentage would be set at a level to ensure that the Committee has sufficient ability to apply malus and clawback provisions, and to meet any regulatory deferral requirements applying to total variable pay. The minimum deferral, after the achievement of the shareholding requirement, will be 25%.

The reasons for the proposal to grant Restricted Shares are as follows:

- ◆ Restricted Shares will also help in building Executive Director shareholdings and long-term alignment with shareholders. Once vested, Restricted Share awards will count (net of tax) towards the shareholding requirement, together with deferred bonus shares (net of tax) and owned shares. Restricted Shares will assist the Executive Directors to achieve their shareholding requirements of 300% of base salary and 200% of base salary respectively.
- ◆ SJP already grants Restricted Share awards to colleagues below executive level and has also started granting these awards to non-Board executives in 2024. We have found that this approach has assisted in retention and recruitment and enhanced the alignment with shareholders. Extending awards of Restricted Shares to the Executive Directors will permit us to apply a simpler and more consistent approach across the Executive team.

Report of the Group Remuneration Committee continued

Remuneration Policy for Executive Directors

The following table summarises each element of the Policy, explaining how each element operates and links to corporate strategy.

Element	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
Base salary	To provide the core reward for the role. Sufficient level to recruit and retain individuals of the necessary calibre, taking into account the required skills, experience, demands and complexity of the role.	Normally reviewed annually from 1 March, taking into account: role, experience and performance of the individual; Company performance; external economic conditions; average changes in broader workforce salary; and periodic benchmarking for each role against similar UK-listed companies. Percentage increases will normally be at, or below, the level of percentage increases for the Company's wider employee population. Increases may be higher in exceptional circumstances, such as a change in role, a significant change in responsibility or role size and/or where salary is substantially out of line with market norms. Where new appointees have been given a starting salary below mid-market level, percentage increases above those granted to the wider workforce may be awarded, subject to individual performance and development in the role.	Whilst there are no performance targets attached to the payment of base salary, performance is considered as context in the annual salary review.
Pension	Helps recruit and retain Executive Directors. Provides a discrete element of the package to contribute to retirement income.	Provides either defined contributions to a pension scheme or an equivalent cash amount via non-pensionable allowance if the Executive Director is affected by HMRC limits. The pension allowances for Executive Directors are aligned to those of the wider workforce, which is currently an employer contribution of 10% of salary on joining, which increases with service up to a maximum of 15%. In response to changes in legislation or similar developments, the Company may amend the form of an Executive Director's pension arrangements.	N/A
Other benefits	Operate competitive benefits to help recruit, retain and support the wellbeing of employees.	Including but not limited to: <ul style="list-style-type: none"> ◆ private medical insurance ◆ life cover ◆ critical illness ◆ death-in-service cover ◆ relocation assistance, such as accommodation allowance, where necessary ◆ use of a driver for business purposes. <p>Executive Directors are eligible to participate in any all-employee share plan (e.g. SIP and SAYE) operated by the Company, on the same terms as other eligible employees. The maximum level of participation is subject to limits imposed by HMRC (or a lower cap set by the Company).</p> <p>Any reasonable business expenses (including tax thereon) may be reimbursed.</p>	N/A

Report of the Group Remuneration Committee continued

Remuneration Policy for Executive Directors continued

Element	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
Annual bonus	<p>Rewards the achievement of annual financial and strategic business plan targets and delivery of key non-financial objectives.</p> <p>Deferred element aids retention, encourages long-term shareholding, discourages excessive risk-taking and aligns with shareholders' interests.</p> <p>Performance metrics reflect the key performance drivers of the annual business plan, achievement of which will indicate performance in line with the Group's strategy.</p>	<p>Commencing in the 2024 financial year, our approach to bonus changed to ensure that we had greater levels of individual accountability and closer alignment to the business plan and hence to the experience of shareholders. The financial metrics (comprising 60% of the total bonus) are common amongst all Executive Directors. The strategic metrics (comprising 20% of the total bonus) are individually crafted to align with personal responsibilities. The final 20% of the total bonus is focused on individual targets which are aligned with personal responsibilities. This approach will continue in 2025.</p> <p>Maximum opportunity for the Executive Directors is 200% of base salary from 2024. Caroline Waddington has a maximum bonus potential of 175% of base salary which will, at the Committee's discretion, increase to the maximum opportunity of 200%. Her maximum bonus in 2025 will be 175% of base salary.</p> <p>Performance below threshold results in zero payment. Payments are on a scale from 20% to 100% of the maximum opportunity, for performance between threshold and maximum.</p> <p>Normally, fifty per cent of any bonus payable is paid in cash and the remaining 50% deferred into SJP shares, the vesting of which is normally subject to a three-year continuous service requirement but not further performance conditions.</p> <p>Once an Executive Director has met their Director's minimum shareholding requirement, the Committee is able to set a lower bonus deferral percentage. This lower deferral percentage will be set at a level to ensure that the Committee has sufficient ability to apply malus and clawback provisions, and to meet any regulatory deferral requirements applying to total variable pay and will be subject to a minimum of 25% deferral.</p> <p>Dividends in the form of shares accrue on the deferred shares and are paid to the Executive Directors during the three-year deferral period.</p> <p>All bonus payments are at the discretion of the Committee. The Committee has the discretion to override formulaic bonus outcomes, where necessary, under both financial and non-financial performance metrics, to take account of overall performance.</p> <p>The Company's malus and clawback policy applies. The Committee may apply malus or clawback in such circumstances as:</p> <ul style="list-style-type: none"> ◆ misconduct ◆ failure to meet appropriate standards of fitness and propriety ◆ financial misstatement ◆ error or miscalculation in determining a performance outcome or award ◆ material failure of risk management. 	<p>Performance measures, targets and weightings are reviewed annually and set in line with the annual business plan.</p> <p>Performance is measured over one year. At least 60% of the bonus is based on financial measures, reflecting the key priorities of the business for the relevant year. Up to 40% of the annual bonus can be based on the achievement of key non-financial objectives set at the start of the year.</p> <p>Actual measures and weightings may change from year to year to reflect the business priorities at that time.</p> <p>Details of performance criteria and targets set for the year under review and performance against them are provided in the annual report on remuneration.</p>

Report of the Group Remuneration Committee continued

Remuneration Policy for Executive Directors continued

Element	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
Long-term incentives	<p>Supports long-term retention.</p> <p>Focuses the Executive Director on longer-term corporate performance and objectives.</p> <p>Aligns interests to those of shareholders.</p>	<p>Grants of up to 250% of base salary in Performance Shares, or alternatively up to 62.5% of base salary in Restricted Shares with grants of Performance Shares reducing down to 125% of base salary. Both Performance Shares and Restricted Shares vest in a single tranche after three years and are both subject to a two-year post-vesting holding requirement. The Committee has not finally determined the use of Restricted Shares and will do so at the appropriate time.</p> <p>Dividend equivalents may accrue, in the form of shares, on awards made between the date of grant and the end of the two-year post-vesting holding period. These dividend equivalents will be released only to the extent that awards vest.</p> <p>The Committee has the discretion to override formulaic vesting outcomes, where necessary, to take account of overall performance.</p> <p>The Committee has the discretion, in exceptional circumstances, to grant and/or settle an award in cash.</p> <p>The Company's malus and clawback policy applies. The Committee may apply malus or clawback in such circumstances as:</p> <ul style="list-style-type: none"> ◆ misconduct ◆ failure to meet appropriate standards of fitness and propriety ◆ financial misstatement ◆ error or miscalculation in determining a performance outcome or award ◆ material failure of risk management. <p>Caroline Waddington is currently entitled to receive a grant of up to 200% of base salary. As with the bonus, this can increase to the maximum of 250% of base salary at the Committee's discretion. For 2025, the grant will be 200% of base salary in Performance Shares.</p>	<p>Performance Shares: awards vest to the extent of achievement of the following performance metrics (equally weighted)</p> <ul style="list-style-type: none"> ◆ EPS based on EEV adjusted profits ◆ EPS based on cash result ◆ relative TSR performance <p>The Committee may choose different measures and weightings, if it deems appropriate, taking into account the strategic objectives of the Company. For each performance metric a threshold and stretch level of performance is set. At threshold, 25% of the relevant element vests, rising on a straight-line basis to 100% for stretch performance.</p> <p>Restricted Shares: The Committee has the ability to cancel or scale back vesting if there has been significant underperformance over the vesting period. The underpin assessment by the Committee will be a rounded appraisal of all aspects of performance including: financial and return performance such as FUM flows, profitability and TSR; client acquisition, retention and satisfaction; colleague engagement; risk management and regulatory compliance; and sustainability indicators.</p>
Minimum shareholding requirements	To ensure alignment of the long-term interests of Executive Directors and shareholders.	<p>Executive Directors are required to build and maintain a minimum shareholding equivalent to 300% of base salary for the Chief Executive Officer and 200% of base salary for other Executive Directors, to be achieved normally within five years of appointment.</p> <p>Until the threshold is reached, at least 50% of vested shares from the PSP and other share awards (less tax liability) should normally be retained.</p>	N/A
Post-cessation shareholding requirements	To ensure continued alignment of the long-term interests of Executive Directors and shareholders post cessation.	<p>Executive Directors are required to maintain a shareholding equivalent to the in-employment shareholding requirement immediately prior to departure (or the actual share and award holding on departure, if lower) for two years post cessation.</p> <p>There are appropriate arrangements in place to ensure enforceability.</p>	N/A

Report of the Group Remuneration Committee continued

Remuneration Policy for Executive Directors continued

Element	Purpose and link to strategy	Operation including maximum opportunity	Performance metrics
Non-executive Directors' fees	To attract high-quality, experienced Non-executive Directors.	<p>The Chair of the Board is paid an all-inclusive annual fee which is reviewed periodically by the Committee.</p> <p>All Non-executive Directors receive a basic annual fee for carrying out their duties, together with additional fees in respect of Board Committee chairship and, where appropriate, membership and other responsibilities, with fee levels reviewed periodically by the Board. They may also be paid additional fees in the event of exceptional levels of additional time being required. Non-executive Directors who are also members of subsidiary boards of the Company may receive fees in respect of their duties on the subsidiary boards.</p> <p>Any reasonable business expenses (including tax thereon if applicable) may be reimbursed.</p> <p>There is no prescribed maximum individual fee level or annual increase. Reviews take into account market data for similar non-executive roles in other companies of a similar size, complexity and/or business to SJP as well as the time commitment of Non-executive Directors. The policy is to take account of market levels based for similar roles and time commitments of chairs and non-executives in comparable companies.</p>	Neither the Chair nor the Non-executive Directors are eligible for any performance-related remuneration.

Notes to the Policy table

The performance measures and targets that are set for the Executive Directors' annual bonus and PSP awards are carefully selected to align with the Company's strategic and key performance indicators.

For the annual bonus, financial and strategic measures are reviewed and selected by the Committee annually. The measures selected and weighting between them may vary annually depending on the key priorities of the business for the year ahead. Robust and demanding targets will be set annually taking into account the economic environment, market expectations and the Company's budget and business plan for the year ahead. Currently a set of financial metrics, such as cash profit result, net FUM flows and costs, are used to assess financial performance as these measures reflect a number of key performance drivers including new business, retention of funds under management and cost control. The remaining bonus is determined based on strategic measures set annually on a balanced scorecard basis.

The Company has used a relative TSR measure and EPS growth targets for the PSP for a number of years in line with the Group's strategy of delivering profitable growth and superior returns to its shareholders. The Committee will continue to review the choice of performance measures and the appropriateness of targets prior to each PSP award being made and will set robust and stretching measures for any alternative measures used.

For the EPS growth measure, stretching targets will be set annually taking into account the economic environment, market expectations and the Company's budget and business plan at that time. For the comparative TSR measure the Committee's policy is to set threshold vesting for median performance rising to full vesting for upper quartile performance. The Committee may from time to time review the appropriateness of the TSR comparator group.

No performance targets are set for the SAYE and SIP awards as these form part of all-employee arrangements designed to encourage employees across the Group to purchase shares in the Company.

Report of the Group Remuneration Committee continued

Remuneration Policy for Executive Directors continued

Committee discretion

The Committee will operate the annual bonus plan, DBP, LTIP and all-employee share plans according to the rules of each respective plan and consistent with normal market practice and the UK Listing Rules, where relevant. The Committee will retain flexibility in a number of areas regarding the operation and administration of these plans, including (but not limited to) the following:

- ◆ who participates in the plans
- ◆ when to make awards and payments
- ◆ how to determine the size of an award, a payment, or when and how much of an award should vest
- ◆ how to deal with a change of control or restructuring of the Group
- ◆ in the case of stated good leaver reasons or otherwise, whether a Director is a good/bad leaver for incentive plan purposes and whether and what proportion of awards vest at the time of leaving or at the original vesting date(s) as relevant
- ◆ how and whether an award may be adjusted in certain circumstances (e.g. for a rights issue, a corporate restructuring or for special dividends)
- ◆ whether any adjustment to the LTIP vesting outcome is required, taking account of any windfall gain due to share price variation at the time of grant or other relevant factors.

The Committee also has the discretion within the Policy to adjust targets and/or set different measures and alter weightings for the annual bonus plan and the LTIP if events happen that cause it to determine that the original targets or conditions are no longer appropriate and the amendment is required so that the targets or conditions achieve their original purpose. The Committee has the discretion to adjust the application of the minimum shareholding requirements, in role or post-cessation, to take account of exceptional circumstances.

Any use of exceptional discretion to override formulaic outcomes would, where relevant, be explained in the Annual Report on Remuneration, as appropriate.

Awards made prior to the effective date

For the avoidance of doubt, in approving the Policy, authority was given to the Company to honour any commitments entered into with current or former Directors that have been disclosed to shareholders in previous remuneration reports. This includes all historic awards that were granted under any current or previous share schemes operated by the Company but remain outstanding (detailed in the Annual Report on Remuneration) and which will remain eligible to vest based on their original award terms. Awards made under the Performance Share Plan in earlier years will continue to be based on the achievement of the metrics previously set for those awards.

For each performance metric, a threshold and stretch level of performance is set. At threshold, 25% of the relevant element vests, rising on a straight-line basis to 100% for performance between threshold and maximum targets. Details of payments to former Directors will be set out in the Annual Report on Remuneration, where required by the relevant regulations, as they arise.

Approach to remuneration for recruitment and promotions

The Committee aims to set a new Executive Director's remuneration package in line with the Policy in place at the time of appointment. The Committee will take into account, in arriving at a total package and in considering the quantum for each element of the package, the skills and experience of the candidate, the market rate for a candidate of that experience, and the importance of securing the best candidate. For new appointments, base salary and total remuneration may be set initially below normal market rates on the basis that it may be increased once satisfactory development and performance in role has been demonstrated.

Annual bonus and long-term incentive maximum award sizes will comply with the maximum opportunity set out in the Policy table (not including any arrangements to replace foregone remuneration – see below). Participation in the annual bonus plan will normally be pro-rated for the year of joining and different performance measures may be set from those applying to the other Directors, if it is appropriate to do so to reflect the individual's responsibilities and the point in the year at which they joined the Board. A PSP award or a Restricted Share award can be made shortly following an appointment (assuming the Company is not in a closed period). Where it is essential for the purposes of recruitment, such as where a new external recruit has not had any bonus deferral in their previous role, bonus deferral may be phased in over a short period. The standard approach will be for deferral to apply as stated in the Policy table.

The Committee may make additional cash and/or share-based awards as it deems appropriate and, if the circumstances so demand, to take account of foregone remuneration by an executive on leaving a previous employer. Awards would, where possible, reflect the nature of awards forfeited in terms of delivery mechanism (cash or shares), time horizons, attributed expected value and performance conditions. Other payments may be made in relation to relocation expenses and other incidental expenses as appropriate.

Report of the Group Remuneration Committee continued

Remuneration Policy for Executive Directors continued

In the case of an internal appointment, any variable pay element awarded in respect of the prior role would be allowed to pay out according to its terms and any other ongoing remuneration obligations existing prior to appointment would continue.

For an overseas appointment, the Committee will have the discretion to offer benefits and pension provisions which reflect local market practice and relevant legislation.

If appropriate and in exceptional circumstances the Committee may agree, on the recruitment of a new Executive Director, a notice period of in excess of 12 months but reducing to 12 months over a specified period.

For the appointment of a new Chair or Non-executive Director, the fee arrangement would be set in accordance with the approved Policy at that time.

Risk management

Risk is managed within the Policy through the Committee:

- ◆ Taking into consideration the recommendations contained in any applicable Remuneration Codes and associated guidance which apply to the Group.
 - ◆ Structuring the annual bonus plan to contain a mix of financial and strategic performance metrics, where performance conditions are tailored to the business outlook and strategy, including the management of risk within the business. The Committee also retains the discretion to reduce the bonus and PSP outturns where appropriate.
 - ◆ Assessing the performance metrics from a risk perspective, with input from the Group Risk Committee and Chief Risk Officer.
 - ◆ Requiring deferral of 50% of annual bonus payments into the Company's shares, which are then deferred for three years.
 - ◆ Requiring Executive Directors to retain shares acquired on vesting of PSP awards granted for a post-vesting holding period of two years on the shares vesting. During this period the vested shares cannot normally be sold other than to the extent necessary to settle tax on vesting or exercise.
- ◆ Ensuring that the majority of the incentive pay comes in the form of a long-term incentive plan subject to stretching performance targets measured over multi-year performance periods, with the performance period for subsequent awards overlapping the previous award, together with an additional two-year holding period. This ensures that there is no incentive to maximise performance over a particular period.
 - ◆ Incorporating withholding (malus) and recovery (clawback) provisions into the Company's bonus and long-term incentive plans.
 - ◆ Requiring Executive Directors to build and maintain a substantial shareholding in the Company, and to retain a shareholding for two years post cessation.

Remuneration policy across the Group

The Policy is designed after having regard to the remuneration policy for employees across the Group as a whole and the Committee aims, where appropriate, for there to be a consistent approach applied. For instance, the suite of benefits in kind is generally consistent (other than in relation to quantum) and all employees participate in annual bonus plans. All employees, including Executive Directors, are offered the opportunity to participate in the Group's SAYE Share Option Plan and Share Incentive Plan. Senior managers participate in the long-term incentive plan.

The Policy is more weighted towards variable pay than for other employees to make a greater part of their pay conditional on the successful delivery of the strategy, and in line with shareholder interests. In addition, a higher proportion of senior level remuneration is deferred than is the case for the workforce as a whole.

The Workforce Engagement Panel is periodically consulted on a range of topics, which include, amongst other matters, the Directors' Remuneration Policy and the Company's approach to remuneration.

Report of the Group Remuneration Committee continued

Remuneration Policy for Executive Directors continued

Remuneration scenarios for Executive Directors

The chart to the right shows how the proportion of each Executive Director's remuneration package varies at different levels of performance in accordance with the Policy to be implemented in 2025 and using the assumptions set out below. A significant proportion of remuneration is linked to performance, especially at stretch performance levels.

Assumptions

Threshold = fixed pay only (salary, benefits and pension).

Target = fixed pay plus payout of the annual bonus at midway between threshold and maximum and 50% vesting of PSP awards.

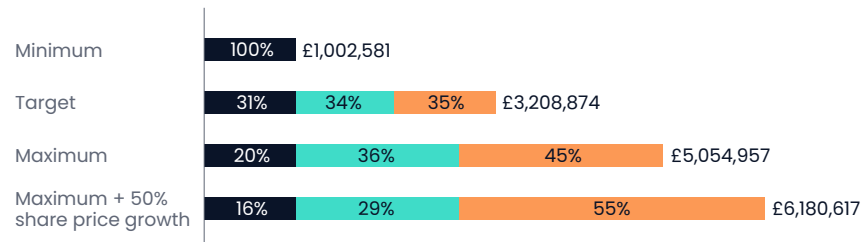
Maximum = fixed pay plus 100% vesting of the annual bonus and PSP awards.

Maximum + 50% share price growth = maximum pay + the impact of an assumed 50% share price growth on the PSP award.

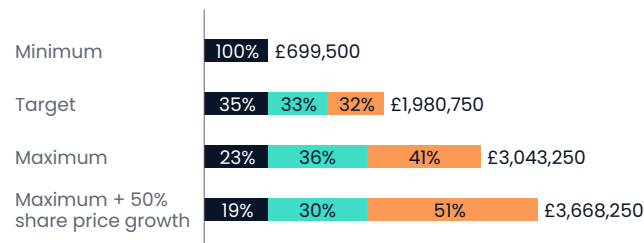
Salaries used are those applying on 1 March 2025 and taxable benefits are those reported for the year ending 31 December 2024.

Amounts have been rounded to the nearest £1,000. The assumptions noted for 'on-target' PSP performance in the graph on the right are provided for illustration purposes only. Participation in all employee plans, dividends payable on PSP awards over the vesting period or on deferred share bonus awards are not included in the above scenarios and the chart assumes no increase to the share price.

CEO



CFO



Report of the Group Remuneration Committee continued

Remuneration Policy for Executive Directors continued

Service contracts and loss of office

The Company's policy is that service contracts may be terminated with 12 months' notice from either the Company or from the Executive Director (except in certain exceptional recruitment situations where a longer notice period from the Company may be set provided it reduces to a maximum of 12 months with a specified time limit). Service contracts do not contain a fixed end date.

Under their service contracts the Executive Directors are entitled to salary, pension contributions and benefits for their notice period (except on termination for events such as gross misconduct where payment will be for sums earned up to the date of termination with no notice period only). The Company would seek to ensure that any payment is mitigated by the use of phased payments and offset against earnings elsewhere in the event that an Executive Director finds alternative employment during their notice period. There are no contractual provisions in force other than those set out above that impact any termination payment.

In summary the position on cessation of employment is as follows:

Provision	Detailed Terms
Notice Period	12 months by either party
Termination payment	Base salary plus benefits (including pension). An express obligation on the Executive to mitigate their loss. Payments can be made on a monthly basis, and reduced or ceased if an Executive is able to secure alternative employment. In addition any statutory amounts would be paid as necessary.
Remuneration entitlements on cessation of appointment	A pro-rata bonus may also become payable for the period of active service along with the vesting of outstanding share awards (in certain circumstances as described on the right).
Change of control	As on termination and with remuneration entitlements as described above.

Executive Directors are also subject to the Company's post-cessation shareholding policy.

When considering the size of any proposed termination payment, the Committee would take into account a number of factors including the health, length of service and performance of the relevant Executive, including the duty to mitigate their own loss, with a broad aim to avoid rewarding poor performance while dealing fairly with cases where the departure is due to other reasons, for example illness or redundancy.

Any unvested awards held under the PSP and RSP schemes will lapse at cessation of employment, unless the individual is leaving for certain reasons (defined under the plan such as death, injury, ill-health, disability, redundancy, retirement, their office or employment being either a company which ceases to be a Group member or relating to a business or part of a business which is transferred to a person who is not a Group member, or any other reason the Committee so decides). In these circumstances, unvested awards will normally vest at the normal vesting date (unless the Committee decides they should vest at cessation of appointment) subject to performance conditions being met and normally subject to scaling back in respect of actual service as a proportion of the total performance period (unless the Committee decides that scaling back is inappropriate). The same approach applies on a change of control.

Any unvested awards held under the Deferred Bonus Scheme will lapse at cessation of employment unless the Committee exercises discretion to allow them to be retained. In these circumstances the Committee may determine whether unvested awards will vest at the normal vesting date or at cessation of employment.

The Committee may agree to the payment of disbursements such as legal costs and outplacement services if appropriate and depending on the circumstances of the leaving Executive.

The Committee may pay any legal entitlements or settle or compromise claims in connection with a termination of employment, where considered in the best interests of the Company.

Non-executive Directors' letters of appointment

The Non-executive Directors (including the Chair) do not have service contracts or any benefits in kind arrangements and do not participate in any of the Group's pension or incentive arrangements. The appointment of each Non-executive Director can be terminated by giving three months' notice (subject to annual re-appointment at the AGM). Any period of service longer than six years is subject to particularly rigorous review by the Group Nomination and Governance Committee of the Board. The Non-executive Directors' letters of appointment do not provide for any payment on termination except for accrued fees and expenses to the date of termination.

The terms and conditions of Executive Directors' service contracts and the letters of appointment of the Non-executive Directors are available for inspection at the Company's registered office during normal business hours and at the AGM, the details of which can be found in the Directors' report in the Company's Annual Report and Accounts.

External appointments

Executive Directors are permitted to be appointed to an external board or committee so long as this is unlikely to interfere with the business of the Group. Any fees received in respect of external appointments are retained by the relevant Executive Director.

Directors' report

The Directors present their report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024. This report has been prepared in accordance with requirements outlined within The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and, together with the strategic report, forms the management report as required under the UK Financial Conduct Authority's (FCA) Disclosure and Transparency Rule DTR4.1. Certain information that fulfils the requirements of the Directors' report can be found elsewhere in this document and is referred to below. This information is incorporated into this Directors' report by reference.

Information disclosed in accordance with the requirements of the sections of the FCA's UK Listing Rule UKLR6.6.1 R (Annual Financial Report) and Disclosure and Transparency Rule DTR7 (Corporate Governance) that is applicable can be located as follows:

Disclosure	Location
Board diversity targets	Corporate governance report
Details of long-term incentive schemes	Directors' remuneration report
Contracts of significance	This Directors' report
Shareholder waivers of dividends	This Directors' report
Shareholder waivers of future dividends	This Directors' report
Directors' interests in the Company's shares	Directors' remuneration report
Major shareholders' interests	This Directors' report
Authority to purchase own shares	Corporate governance report
Internal controls	Report of the Group Audit Committee
Climate-related financial disclosures consistent with TCFD	Our responsible business section and Climate report 2024 located on our corporate website at sjp.co.uk/responsible-business

As permitted by legislation, some of the matters required to be included in the Directors' report have instead been included elsewhere in this Annual Report and Accounts:

- ◆ future business developments throughout the strategic report
- ◆ risk management on pages 30 to 38 of the strategic report
- ◆ employment of disabled persons on page 47 of the our responsible business section
- ◆ details of branches operated by the Company on page 195 of the financial statements
- ◆ the Group's impact on the environment, including those disclosures required regarding greenhouse gas emissions, on pages 41 to 47 of the strategic report.

Status of Company

The Company is registered as a public limited company under the Companies Act 2006. For details of the Company's subsidiaries and overseas branches, please see Note 26 to the financial statements.

Going concern

In conjunction with its assessment of longer-term viability as set out on page 38, the Board concluded that it remained appropriate to adopt the going concern basis of accounting in preparing the consolidated financial statements as it believes the Group will continue to be in business, with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations, for a period of at least 12 months from the date of approval of the consolidated financial statements.

Share capital

Structure of the Company's capital

As at 31 December 2024, the Company's issued and fully paid-up share capital was 544,014,711 ordinary shares of 15 pence each. All ordinary shares are quoted on the London Stock Exchange and can be held in uncertificated form via CREST. All shares have equal rights to dividends and to participate in a distribution on winding up. Details of the movement in the issued share capital during the year are provided in Note 23 to the consolidated financial statements.

Voting rights

At any General Meeting, on a show of hands, each member who is present in person has one vote and every proxy present who has been duly appointed by a member entitled to vote on a resolution has one vote. On a poll, every member who is present in person or by proxy shall have one vote for every share of which they are the holder.

Shares held by the Company's Employee Share Trust and Share Incentive Plan Trust rank *pari passu* with the shares in issue and have no special rights. Voting rights and rights of acceptance of any offer relating to the shares held in the Employee Share Trust rests with the trustees, who may take account of any recommendation from the Company. The trustees of the Share Incentive Plan Trust may vote in respect of shares held in the Trust, but only as instructed by participants in the Share Incentive Plan in respect of their Partnership, dividend and/or matching shares. The trustees will not otherwise vote in respect of shares held in the Share Incentive Plan Trust.

Restrictions on voting rights

If any shareholder has been sent a notice by the Company under section 793 of the Companies Act 2006 and has failed to supply the relevant information within a period of 14 days, then the shareholder may not (for so long as the default continues) be entitled to attend or vote either personally or by proxy at a shareholders' meeting, or to exercise any other right conferred by membership in relation to shareholders' meetings.

Directors' report continued

If those default shares represent at least 0.25% of their class, any dividend payable in respect of the shares will be withheld by the Company and (subject to certain limited exceptions) no transfer, other than an excepted transfer, of any shares held by the member in certificated form will be registered.

Articles of Association

The full rights and obligations attaching to the ordinary shares of the Company are set out in the Articles. Holders of ordinary shares are entitled to: receive the Company's Reports and Accounts; attend, speak and exercise voting rights; and appoint proxies to attend General Meetings.

Restrictions on share transfers

There are restrictions on share transfers, all of which are set out in the Articles. Restrictions include transfers made in favour of more than four joint holders and transfers held in certificated form. Directors may decline to recognise a transfer unless it is in respect of only one class of share and lodged and duly stamped by HMRC. The Directors may also refuse to register any transfer of shares held in certificated form which are not fully paid. Directors may also choose to decline requests for share transfers from a US Person (as defined under Regulation S of the United States Securities Act 1933) that would cause the aggregate number of beneficial owners of issued shares who are US Persons to exceed 70.

The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as the Directors may from time to time determine in respect of any class of shares.

The Company is not aware of any agreements between shareholders that restrict the transfer of shares or voting rights attached to the shares.

The interests of the Directors, and any persons closely associated with them, in the issued share capital of the Company are shown on page 108.

Substantial shareholders

Information provided to the Company by substantial shareholders pursuant to the FCA's Disclosure Guidance and Transparency Rules (DTR) is published via a Regulatory Information Service and is available on the Company's website.

As at 31 December 2024 and the date of this report, the Company had been notified of the following interests disclosed to the Company under Chapter 5 of the DTR:

	% of voting rights as at 31 December 2024	% of voting rights as at 26 February 2025
BLS Capital	10.25%	8.79%
BlackRock, Inc.	5.07%	5.07%
Norges Bank	4.19%	4.19%
Lind Invest	2.93%	2.93%

Results and dividends

The financial review on pages 17 to 29 sets out the consolidated results for the year.

An interim dividend of 6.00 pence per share, which equates to £32.8 million, was paid on 20 September 2024 in respect of the year ended 31 December 2024 (2023: 15.83 pence per share/£86.5 million). The Directors recommend that shareholders approve a final dividend of 12.00 pence per share, which equates to £65.3 million (2023: 8.00 pence per share/£43.8 million), in respect of the year ended 31 December 2024, to be paid on 23 May 2025 to shareholders on the register at close of business on 11 April 2025.

Details of the Dividend Reinvestment Plan (DRIP) are set out on page 207.

During the year, SJP outlined a change to its guidance on shareholder returns and introduced a share buy-back programme, the purpose of which was to re-purchase its ordinary shares as a method of returning capital to shareholders alongside the payment of dividends and to reduce the capital of the Company.

On 27 August 2024 the company commenced an interim share buy-back programme with respect to 2024, and purchased 4,590,083 ordinary shares on the London Stock Exchange in aggregate at a volume weighted average price of 716.7626p per ordinary share for a total consideration of £32.9 million. This was equivalent to approximately 0.84% of the total value of outstanding shares. The Company cancelled all purchased shares. The interim buy-back concluded on 16 September 2024.

In addition, under the authority granted by shareholders at the 2024 Annual General Meeting, the Directors have resolved to undertake a final share buy-back programme with respect to 2024, committing to purchase shares up to a maximum value of £92.6 million. This share buy-back programme will commence on 28 February 2025, and will bring the total share buy-back in respect to 2024 to a maximum value of £125.5 million.

Our people

Details of the Company's approach to maintaining an appropriately skilled and diverse workforce, including recruitment practices, development opportunities and equal opportunities, can be found in the our responsible business section on pages 39 to 50. Details of the Company's approach to employee engagement can be found in the section 172(1) statement on page 59.

Details of how the Board engages with employees can be found on page 59 of the governance section. This engagement, and the presence of a designated Non-executive Director on the Board, ensures that the Board is able to take account of the interests of employees in its discussions and when making decisions. Engagement during 2024 contributed to the Board's consideration of key strategic topics and the determination of policies affecting the workforce, and helped to inform future decision-making around flexible working and our strategy regarding employee rewards.

Directors' report continued

Fostering business relationships

Engagement with the Board's key stakeholders, including suppliers and clients, is summarised in the corporate governance report on pages 58 to 63. In many cases the Group's primary point of engagement with stakeholders is through the business, where regular dialogue is maintained. Focus on strategic topics and regular reporting from management enables the Board to establish a clear view of business relationships with these stakeholders and has provided important context in its deliberations and decision-making. Further details are set out in the section 172(1) statement on pages 58 to 63.

Significant contracts and change of control

The Company has a number of contractual arrangements which it considers essential to the business of the Company. Specifically, these are committed loan facilities from a number of banks, arrangements with fund managers and third-party providers of administrative services.

A change of control of the Company may cause some agreements to which the Company is a party to alter or terminate. These include bank facility agreements, securitisation arrangements and employee share plans.

The Group had committed facilities totalling £733 million as at 26 February 2024 which contain clauses which require lender consent for any change of control. In addition, the Group guarantees the obligations of loans made to Partners in connection with facilities agreed with various lenders totalling £365 million in aggregate. Should consent not be given, a change of control would trigger mandatory repayment of the said facilities.

The Group also had committed securitisation facilities totalling £175 million which contain clauses which require lender consent for any change of control. Should such consent not be given, a change of control would trigger early amortisation of the facilities.

All the Company's employee share plans contain provisions relating to a change of control. Outstanding awards and options may vest and become exercisable on a change of control, subject where appropriate to the satisfaction of any performance conditions at that time and pro-rating of awards.

Financial instruments

An indication of the Group's use of financial instruments can be found in Note 20 to the financial statements.

Directors and Directors' indemnities

Details of the Directors of the Company at the date of this report and during the year ended 31 December 2024 can be found in the governance report on pages 55 to 57. Details of the indemnity provisions in place for the Directors, including qualifying third-party indemnity provisions, can be found on page 69.

Political and charitable donations

It is the Group's policy not to make any donations to political parties within the definitions set out in the Political Parties, Elections and Referendums Act 2000 and sections 362 to 379 of the Companies Act 2006. During the year we have donated £4.6 million to the St. James's Place Charitable Foundation, more details of which can be found on page 40.

Annual General Meeting

The Company plans to hold its Annual General Meeting on Tuesday 13 May 2025. Full details of the meeting, including location, time and the resolutions to be put to shareholders at the meeting, are included in a separate Notice of Annual General Meeting, which will be available on our website sjp.co.uk/shareholder-meetings.

Important events since the financial year-end

Details of important events affecting the Group since 31 December 2024 can be found in the Chief Executive Officer's report on pages 12 to 14 and Note 28 Events after the end of the reporting period.

Disclosure of information to auditors

Each of the Directors, at the date of approval of this report, confirms that:

- ◆ so far as each Director is aware, there is no relevant audit information of which the auditors are unaware
- ◆ each Director has taken all steps that he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of such information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the Board:

Mark FitzPatrick
Chief Executive Officer

26 February 2025

Caroline Waddington
Chief Financial Officer

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and Accounts 2024 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 Group financial statements in accordance with UK-adopted international accounting standards and the Parent Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 'Reduced Disclosure Framework', and applicable law).

Under company law, 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 Group and Parent Company and of the profit or loss of the Group 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 UK-adopted international accounting standards have been followed for the Group financial statements and United Kingdom Accounting Standards, comprising FRS 101 have been followed for the parent company financial statements, subject to any material departures disclosed and explained in the financial statements
- ◆ make judgements and accounting estimates that are reasonable and prudent
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Parent Company will continue in business.

The directors are responsible for safeguarding the assets of the Group and Parent 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 group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Parent Company and enable them to ensure that the financial statements and the Directors' remuneration report comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Parent Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

The directors consider that the Annual Report and Accounts 2024, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the group's and parent company's position and performance, business model and strategy.

Each of the Directors, whose names and functions are listed in Board of Directors section on pages 55 to 57 confirm that, to the best of their knowledge:

- ◆ the Group financial statements, which have been prepared in accordance with UK-adopted international accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Group
- ◆ the Parent Company financial statements, which have been prepared in accordance with United Kingdom Accounting Standards, comprising FRS 101, give a true and fair view of the assets, liabilities and financial position of the Parent Company
- ◆ the strategic report includes a fair review of the development and performance of the business and the position of the Group and Parent Company, together with a description of the principal risks and uncertainties that it faces.

In the case of each director in office at the date the Directors' report is approved:

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

Jonathan Dale

Company Secretary

26 February 2025

Financial statements

Independent Auditors' Report to the Members of St. James's Place plc	132
Consolidated financial statements prepared under International Financial Reporting Standards as adopted by the United Kingdom	140
Consolidated statement of comprehensive income	140
Consolidated statement of changes in equity	141
Consolidated statement of financial position	142
Consolidated statement of cash flows	143
Notes to the consolidated financial statements under International Financial Reporting Standards	144



Invaluable advice for whatever life throws at you

John Prentice lives in King's Lynn with his daughter, Amelia, aged seven. He tells us how, thanks to the financial advice he took, they've been able to make the most of the terrible hand life dealt them when his long-term partner, Sue, was diagnosed with a rare form of cancer.

[...→ Watch and read John's and other stories](#)

84%

Of people say that taking financial advice **benefited them mentally or emotionally.**

[...→ Find out more in our Real Life Advice Report](#)

Independent Auditors' Report to the Members of St. James's Place plc

Report on the audit of the financial statements

Opinion

In our opinion:

- ◆ St. James's Place plc's consolidated financial statements and Parent Company financial statements (the "financial statements") give a true and fair view of the state of the group's and of the Parent Company's affairs as at 31 December 2024 and of the group's profit and the group's cash flows for the year then ended;
- ◆ the consolidated financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- ◆ the Parent Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- ◆ the financial statements 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 Accounts 2024 (the "Annual Report"), which comprise: the Consolidated and the Parent Company statements of financial position as at 31 December 2024; the Consolidated statement of comprehensive income, the Consolidated statement of cash flows, the Consolidated and the Parent Company statements of changes in equity for the year then ended; and the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Our opinion is consistent with our reporting to the Group Audit Committee.

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 group 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, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in Note 5, we have provided no non-audit services to the company or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- ◆ The consolidated financial statements comprise the consolidation of approximately 75 individual components, each of which represents an individual legal entity within the Group or consolidation adjustments.
- ◆ We assessed each component and considered the contribution it made to the Group's performance in the year, whether it displayed any significant risk characteristics and/or whether it contributed a significant amount to any individual financial statement line item.
- ◆ The above assessment resulted in us identifying seven components significant by risk or size that required audit procedures for the purpose of the audit of the consolidated financial statements.
- ◆ Six components that are significant by risk or size are based in the UK and were audited by the PwC UK audit team. The other significant component by risk or size is based in the Republic of Ireland and was audited by Grant Thornton Ireland. We also perform audit of specific balances in four additional components with large individual balances.
- ◆ We performed a full scope audit of all material line items in the Parent Company financial statements.

Key audit matters

- ◆ Valuation of level 3 investments, being investment properties and equities and fixed income securities in the Diversified Assets Fund (group)
- ◆ Valuation of the Operational Readiness prepayment in respect of the development of an administration platform at an outsourced provider (group)
- ◆ Provision for redress in respect of ongoing service evidence (group)
- ◆ Recoverability of Parent Company's investment in the subsidiaries (parent)

Materiality

- ◆ Overall Group materiality: £22,500,000 (2023: £19,600,000) based on 5% of underlying cash generated in the year.
- ◆ Specific Group overall materiality: £931,000,000 (2023: £820,000,000) based on 0.5% of Assets held to cover linked liabilities applies to assets held to cover linked liabilities, investment contract liabilities and associated income Statement line items.
- ◆ Overall Parent Company materiality: £20,250,000 (2023: £15,700,000) based on 1% of total assets.
- ◆ Performance materiality: £16,875,000 (2023: £14,700,000) (group) and £15,187,500 (2023: £10,775,000) (Parent Company).
- ◆ Specific performance materiality: £698,250,000 (2023: £615,000,000) applied to assets held to cover linked liabilities, investment contract liabilities and associated income Statement line items.

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Independent Auditors' Report to the Members of St. James's Place plc continued

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of level 3 investments, being investment properties and equities and fixed income securities in the Diversified Assets Fund (group)</p> <p>As disclosed in Note 20 (page 177) as at 31 December 2024 the Group held £189.1 billion of financial assets and investment properties. The majority of these investments do not require significant judgement in calculating their valuation in the Financial Statements. Included in the total financial assets and investment properties are investment properties (£0.9 billion), level 3 equities (£1.0 billion) and fixed income securities (£0.1 billion) held within the Diversified Assets Fund ("DAF"), which require management to use significant estimates and judgements in order to calculate the valuation at the year-end. Due to the magnitude of these balances and the level of judgement involved in their valuation, this was an area of focus for our audit. The Group outsources the investment valuation activities for each, with assets in the DAF valued by Kohlberg Kravis Roberts & Co. Inc ("KKR"), whilst the investment property portfolio is managed by Orchard Street with regular valuations performed by CBRE.</p>	<p>Investment properties</p> <p>We engaged our internal real estate valuation experts (qualified chartered surveyors) to review the methodology and key assumptions used by CBRE in valuing the property portfolio.</p> <p>To verify that the valuation approach was suitable for use in determining the carrying value for investment properties in the Financial Statements, we:</p> <ul style="list-style-type: none"> ◆ Obtained and read the CBRE valuation reports covering all of the Group's investment properties ◆ Confirmed that the valuation approach was in accordance with RICS standards; ◆ Benchmarked the key assumptions used by CBRE against industry norms using our experience and knowledge of the market for all properties in the portfolio; ◆ With the support of our internal valuation experts, we also challenged the external valuers as to the extent to which recent market transactions and expected rental values used in deriving their valuations took into account the impact of climate change and related ESG considerations; ◆ Where they fell outside of the expected ranges, valuations showed unexpected movements, or otherwise appeared unusual, further testing was performed and, when necessary, further discussions were held with external valuers to understand and validate the assumptions; and ◆ Tested the key input data which the Group provided to the external valuers for use in the performance of the valuation. This involved testing a sample of lease data for leases and testing the accuracy of lease and other property information. <p>Level 3 equities and fixed income securities in the Diversified Assets Fund</p> <p>We engaged our internal valuation experts to review the methodology and key assumptions used by KKR in valuing a sample of individual level 3 investments within the DAF. Our valuations experts met with KKR and reviewed the year end valuation report for each asset in the sample. They challenged KKR on the appropriateness of the methodology and assumptions, given the specifics of each of the assets in question.</p> <p>Based on the procedures performed and evidence obtained when testing the valuation of investment properties and level 3 assets in the DAF, we found management's methodologies and assumptions to be appropriate.</p>

Independent Auditors' Report to the Members of St. James's Place plc continued

Key audit matter	How our audit addressed the key audit matter
<p>Valuation of the Operational Readiness prepayment in respect of the development of an administration platform at an outsourced provider (group)</p> <p>As disclosed in Note 15 (page 167). The Group has been charged costs by an outsourced provider for the development of a policy administration platform used by the Group. These costs have been recognised as a prepayment and are unwound over the duration of the related service agreement with the provider.</p> <p>The balance of the prepayment asset at 31 December 2024 was £256.3 million. The maximum value at which the prepayment can be recognised is equal to the net present value of future cost savings from the agreement.</p> <p>Due to the nature and magnitude of the amount arising from the contractual terms, the valuation of this asset was an area of focus for our audit.</p>	<p>In testing whether the asset was valued appropriately and whether an impairment was necessary we:</p> <ul style="list-style-type: none"> ◆ Assessed the reasonableness of the assumptions underlying management's discounted cash flow analysis calculating the anticipated future cost savings that support the valuation of the asset; ◆ Agreed that the cost savings had been calculated using appropriate service tariffs; ◆ Performed a sensitivity analysis on the inflation and discount rate assumptions as well as business flow levels to determine the potential impact of changes in these assumptions to check whether they would affect the carrying value of the asset; and ◆ Evaluated the headroom available under what we considered to be reasonably possible downside scenarios and whether additional disclosure was necessary. <p>We determined that the accounting, recognition and disclosure of the asset in the Financial Statements was supported by the evidence obtained.</p>
<p>Provision for redress in respect of ongoing service evidence (group)</p> <p>As disclosed in the Report of the Group Audit Committee (page 76) and Note 18 (page 174) to the Financial Statements the Group holds an Ongoing Service Evidence provision related to the ongoing review of a sub-population of clients that has been charged for ongoing advice services since the start of 2018 but where the evidence of delivery of the ongoing advice service falls below an acceptable standard.</p> <p>As at 31 December 2024 the total provision in respect of the review was £425.1m which represents the estimated refund of charges, interest and the administration costs associated with completing the exercise. The estimation of the provision involves significant judgement and subjectivity in relation to key assumptions.</p> <p>Management estimated the provision based on a sample of case record reviews undertaken by a Skilled Person (and management's expert for the purpose of our audit) with the results from the sample applied to the wider population. Management determined that the period under review is from the start of 2018.</p> <p>Significant assumptions include:</p> <ul style="list-style-type: none"> ◆ the estimation of the population of clients where evidence is not available to demonstrate that ongoing advice was provided; ◆ the amount of redress based on average client ongoing advice charge for the period subject to refund; ◆ the response rate from clients; and ◆ the administration costs of running the review programme. 	<p>We have assessed and challenged the Group's methodology and the assumptions applied in determining the provision as at 31 December 2024.</p> <ul style="list-style-type: none"> ◆ We obtained management's updated analysis and tested the mathematical accuracy and agreed the calculation back to source data; ◆ Where applicable, we performed testing over a sample of the additional or new data available back to supporting evidence; ◆ We assessed whether any changes were required to be made to management's assumptions and estimates based on currently available evidence and information; ◆ We assessed whether there was any contradictory information that existed within the company or the wider market that require alternative assumptions to be utilised in the estimation of the provision; ◆ We independently performed sensitivity analysis on the significant assumptions and considered alternative scenarios which could be considered reasonably possible; ◆ We obtained and reviewed relevant regulatory correspondence with the Financial Conduct Authority and Prudential Regulation Authority, discussing the content of any correspondence considered to be pertinent to our audit with management. As part of our audit procedures we met with each regulator; and ◆ Given the inherent uncertainty in the estimation of the provision and its judgemental nature, we evaluated the disclosures made in the Financial Statements. In particular, we focused on challenging management around whether the disclosures were sufficiently clear in highlighting the significant uncertainties that exist in respect of the provision and the sensitivity of the provision to changes in the underlying assumptions. <p>Based on the procedures performed and evidence obtained, we found management's assumptions to be appropriate.</p>

Independent Auditors' Report to the Members of St. James's Place plc continued

Key audit matter	How our audit addressed the key audit matter
<p>Recoverability of Parent Company's investment in the subsidiaries (parent)</p> <p>The carrying value of directly held investments in subsidiaries is £2,102.4m as at 31 December 2024 accounting for 96.6% of the Parent Company's total assets. The investments in subsidiaries are carried at cost stated after any impairment losses. Management is required by IAS 36 'Impairment of assets' to review at least annually for impairment, or when circumstances or events indicate there may be uncertainty over its value. When an impairment indicator exists, the determination of recoverable amounts for subsidiaries requires assumptions to be made and the key assumptions used are the value of in-force business and the discount rate applied. The carrying value of these investments is not at a higher risk of significant misstatement or subject to significant judgement. However, due to their materiality in the context of the Parent Company Financial Statements, this is the area that had the greatest effect on our overall Parent Company audit.</p>	<p>For investments where impairment indicators exist, we obtained management's value in use impairment assessment and ensured the calculations were mathematically accurate.</p> <p>We verified that the methodology used by the directors in arriving at the carrying value of each subsidiary was compliant with applicable accounting standards.</p> <p>We challenged management on key elements of the assessments including the value of in-force-business and the discount rate. We further obtained and understood management's value in use and sensitivity calculations over the carrying value assessments, and have independently re-performed the sensitivities ourselves.</p> <p>Based on the procedures performed and evidence obtained, we did not identify any matters indicating that management's model or assessments were inappropriate.</p>

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the Parent Company, the accounting processes and controls, and the industry in which they operate.

The Group is structured as a vertically integrated wealth management business and operates predominantly within the United Kingdom. Seven components within the group were considered significant by risk or size and therefore required an audit of their complete financial information. These were St. James's Place UK plc, St. James's Place Unit Trust Group Limited, St. James's Place Investment Administration Limited, St. James's Place Management Services Limited, St. James's Place Wealth Management plc, St. James's Place Wealth Management Group Limited and St. James's Place International plc.

Six of the components that are significant by risk or size were audited by PwC UK. St. James's Place International plc is incorporated and regulated in the Republic of Ireland and was audited by Grant Thornton Ireland. At the planning stage of the audit we provided written instructions to Grant Thornton Ireland to confirm the work we required them to complete. The instructions set out respective responsibilities (including on actuarial work), our involvement in their work, and the materiality level they should perform their work to. We held regular phone calls and meetings with the Grant Thornton Ireland engagement leader, director, and senior members of the Grant Thornton Ireland team through the planning, execution and completion phases of the audit to inform them of developments at a Group level and to understand from them any local developments that were relevant for our audit of the Group. During the execution phase, senior members of the UK engagement team visited Grant Thornton Ireland and performed a review of Grant Thornton Ireland's audit working papers, reviewing selected elements of their work focused on the significant and elevated risks identified.

In addition to the full scope audit of the seven components noted above, we also performed audit procedures on certain financial statement line items within four other components. These financial statement line items were selected for testing to ensure that we had sufficient coverage of each financial statement line item within the consolidated Financial Statements.

The impact of climate risk on our audit

The Group has set out its approach and goals in respect of its Funds under Management in the Investing responsibly section of the Strategic Report. This includes the goal of becoming "Net Zero" in investments by 2050 (with an interim target of a 25% reduction in the carbon emissions of its investment proposition by 2025).

In planning our audit, we considered the extent to which climate change is impacting the Group and how it impacted our risk assessment for the audit of the Consolidated Financial Statements. In making these considerations we:

- ◆ Enquired of management in respect of their own climate change risk assessment, including associated governance processes and understood how these have been implemented;
- ◆ Obtained the latest Task Force for Climate Related Financial Disclosures ("TCFD") report from the Group and checked it for consistency with our knowledge of the Group based on our audit work and the disclosures made in the Strategic Report; and
- ◆ Considered management's risk assessment and the TCFD report in light of our knowledge of the wider asset management and wealth management industries.

We have incorporated a consideration of the climate change impact on the audit of the Group's valuation of investment properties and level 3 investments in the Diversified Assets Fund held at fair value, taking into account the nature of the asset and the valuation approach. This has not had a significant impact on the related key audit matters.

Our conclusions were that the impact of climate change does not give rise to a Key Audit Matter for the Group and it did not impact our risk assessment for any material Financial Statement line item or disclosure.

Independent Auditors' Report to the Members of St. James's Place plc continued

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Financial statements – group	Financial statements – company
Overall materiality	£22,500,000 (2023: £19,600,000).	£20,250,000 (2023: £15,700,000).
How we determined it	5% of underlying cash generated in the year	1% of total assets
Rationale for benchmark applied	The engagement team concluded that £22.5 million is the most appropriate figure when setting an overall materiality on the engagement. The quantum of £22.5 million was determined by considering the various benchmarks available to us as auditors, our experience of auditing the Group and our experience of the group. £22.5 million represents 5% of the underlying cash generated in the year.	The purpose of the Parent Company is to hold investments in other Group companies. As such PwC considers it appropriate to use total assets as the benchmark for overall materiality.

For certain balances, our specific group overall materiality level was £931,000,000 (2023: £820,000,000) for assets held to cover linked liabilities applies to assets held to cover linked liabilities, investment contract liabilities and associated Income Statement line items.

For each component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The range of materiality allocated across components was between £4,000,000 and £18,000,000. Certain components were audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2023: 75%) of overall materiality, amounting to £16,875,000 (2023: £14,700,000) for the consolidated financial statements and £15,187,500 (2023: £10,775,000) for the Parent Company financial statements.

In determining the performance materiality, we considered a number of factors – the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls – and concluded that an amount at the upper end of our normal range was appropriate.

For certain balances, our specific performance materiality was 75% of the specific overall materiality for assets held to cover linked liabilities, investment contract liabilities and associated income statement line items, amounting to £698,250,000 (2023: £615,000,000) for the Consolidated Financial Statements.

We agreed with the Group Audit Committee that we would report to them misstatements identified during our audit above £1,125,000 (group audit) (2023: £980,000) and £1,012,500 (Parent Company audit) (2023: £780,000) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons. For balances where we apply our specific performance materiality we agreed to report misstatements greater than £22,500,000 (2023: £19,600,000).

Conclusions relating to going concern

Our evaluation of the directors' assessment of the group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included:

- ♦ Obtaining the Directors' going concern assessment for the Group and the Parent Company Financial Statements and gaining an understanding of the Directors' going concern assessment process, including the preparation of the budget;
- ♦ Obtaining the budget covering the period of the going concern assessment and evaluating the forecasting method adopted by the Directors in assessing going concern;
- ♦ Testing the mathematical accuracy of the model and evaluating the key assumptions using our understanding of the Group and external evidence where appropriate. We also performed a comparison of the 2024 budget and the actual results to assess the historical accuracy of the budgeting process;
- ♦ Evaluating the results of management's analysis of the relevant solvency requirements and liquidity position of the Group, including forward looking plausible downside scenarios within the Group's Own Risk and Solvency Assessment;
- ♦ Evaluating the reasonableness of management's downside assumptions using our understanding of the Group and the external environment. We evaluated management's assumptions by performing independent stress testing to determine whether a reasonable alternative stressed scenario would result in a breach of minimum regulatory requirements or the Group's liquidity requirements;
- ♦ Evaluating the mitigating actions that management identified and assessing whether these were in the control of management and possible in the going concern period of assessment;
- ♦ Evaluating information obtained through review of regulatory correspondence, minutes of meetings of the Board, Group Audit and Group Risk Committees, as well as publicly available information to identify any information that would contradict management's assessment; and
- ♦ Assessing the adequacy of disclosures in the Going Concern Statement in note 1 of the Consolidated and Parent Company Financial Statements and within the Assessment of going concern section of the Directors' report on page 127.

Independent Auditors' Report to the Members of St. James's Place plc continued

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 group's and the Parent 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 group's and the Parent Company's ability to continue as a going concern.

In relation to the directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

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.

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 year ended 31 December 2024 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 group and Parent Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Report of the Group Remuneration Committee to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Parent Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- ◆ The directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- ◆ The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- ◆ The directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the group's and the Parent Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- ◆ The directors' explanation as to their assessment of the group's and the Parent Company's prospects, the period this assessment covers and why the period is appropriate; and
- ◆ The directors' statement as to whether they have a reasonable expectation that the Parent Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the directors' statement regarding the longer-term viability of the group and the Parent Company was substantially less in scope than an audit and only consisted of making inquiries and considering the directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the group and the Parent Company and their environment obtained in the course of the audit.

Independent Auditors' Report to the Members of St. James's Place plc continued

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- ◆ The directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the group's and the Parent Company's position, performance, business model and strategy;
- ◆ The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- ◆ The section of the Annual Report describing the work of the Group Audit Committee.

We have nothing to report in respect of our responsibility to report when the directors' statement relating to the Parent Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, 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 group's and the Parent 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 group or the Parent 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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK and Irish regulatory principles, such as those governed by the Prudential Regulation Authority, the Financial Conduct Authority and the Central Bank of Ireland, 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 management bias in accounting estimates and judgmental areas as shown in our key audit matters. The group engagement team shared this risk assessment with the component auditors so that they could include appropriate audit procedures in response to such risks in their work. Audit procedures performed by the group engagement team and/or component auditors included:

- ◆ Discussions with the Risk and Compliance function, Internal Audit and the group's legal counsel, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- ◆ Reading the Group Audit Committee papers in which whistle blowing matters are reported and considered the impact of these matters on the group's compliance with laws and regulations;
- ◆ Reading key correspondence with the Prudential Regulation Authority, the Financial Conduct Authority and the Central Bank of Ireland in relation to compliance with laws and regulations;
- ◆ Reviewing relevant meeting minutes including those of the Board, Risk and Group Audit Committees
- ◆ Reviewing data regarding customer complaints and the company's register of litigation and claims, in so far as they related to non-compliance with laws and regulations and fraud;
- ◆ Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations increasing reported revenues;
- ◆ Designing audit procedures to incorporate unpredictability around nature, timing or extent of our testing;
- ◆ Procedures relating to the estimates and judgements applied in the valuation of level 3 investments, being investment properties and equities and fixed income securities in the Diversified Assets Fund, valuation of the operational Readiness prepayment in respect of the development of an administration platform at an outsourced provider, provision for redress in respect of ongoing service evidence and recoverability of Parent Company's investment in the subsidiaries described in the related key audit matter.

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.

Independent Auditors' Report to the Members of St. James's Place plc continued

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

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.

Use of this report

This report, including the opinions, has been prepared for and only for the Parent 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 Parent 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 Parent Company financial statements and the part of the Report of the Group Remuneration Committee to be audited are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Group Audit Committee, we were appointed by the members on 7 December 2009 to audit the financial statements for the year ended 31 December 2009 and subsequent financial periods. The period of total uninterrupted engagement is 16 years, covering the years ended 31 December 2009 to 31 December 2024.

Other matter

The Parent Company is required by the Financial Conduct Authority Disclosure Guidance and Transparency Rules to include these financial statements in an annual financial report prepared under the structured digital format required by DTR 4.1.15R – 4.1.18R and filed on the National Storage Mechanism of the Financial Conduct Authority. This auditors' report provides no assurance over whether the structured digital format annual financial report has been prepared in accordance with those requirements.

Gary Shaw

(Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

Bristol

26 February 2025

Consolidated statement of comprehensive income

	Note	Year ended 31 December 2024	Year ended 31 December 2023
		£'Million	£'Million
Fee and commission income	4	3,163.9	2,788.9
Expenses	5, 18	(2,236.7)	(2,433.3)
Investment return	6	22,785.3	16,197.6
Movement in investment contract benefits	6	(22,688.5)	(16,130.9)
Insurance revenue	7	25.2	25.3
Insurance service expenses	8	(21.8)	(24.5)
Net reinsurance expense		(3.1)	(5.0)
Insurance service result		0.3	(4.2)
Net insurance finance income/(expense)		2.7	(10.0)
Finance income	9	58.5	48.8
Finance costs	9	(36.4)	(17.3)
Profit before tax	3	1,049.1	439.6
Tax attributable to policyholders' returns	10	(513.2)	(444.1)
Profit/(loss) before tax attributable to shareholders' returns		535.9	(4.5)
Total tax charge	10	(650.7)	(449.5)
Less: tax attributable to policyholders' returns	10	513.2	444.1
Tax attributable to shareholders' returns	10	(137.5)	(5.4)
Profit/(loss) and total comprehensive income for the year		398.4	(9.9)
Profit attributable to non-controlling interests		–	0.2
Profit/(loss) attributable to equity shareholders		398.4	(10.1)
Profit/(loss) and total comprehensive income for the year		398.4	(9.9)
	Note	Pence	Pence
Basic earnings per share	23	73.0	(1.8)
Diluted earnings per share	23	72.6	(1.8)

The results relate to continuing operations.

The Notes and information on pages 144 to 199 form part of these consolidated financial statements.

As permitted by section 408 of the Companies Act 2006, no statement of comprehensive income is presented for the Company.

Consolidated statement of changes in equity

	Equity attributable to owners of the Parent Company								Non-controlling interests	Total equity
	Share capital	Share premium	Capital redemption reserve	Shares in trust reserve	Misc. reserves	Retained earnings	Total			
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million		
At 1 January 2023	81.6	227.8	–	(4.1)	2.5	963.8	1,271.6	0.2	1,271.8	
(Loss)/profit and total comprehensive income for the year	–	–	–	–	–	(10.1)	(10.1)	0.2	(9.9)	
Dividends	23	–	–	–	–	(289.6)	(289.6)	(0.3)	(289.9)	
Exercise of options	23	0.7	6.1	–	–	–	6.8	–	6.8	
Consideration paid for own shares	–	–	–	(0.5)	–	–	(0.5)	–	(0.5)	
Issue of treasury shares in respect of share schemes	–	–	–	3.9	–	(3.9)	–	–	–	
Retained earnings credit in respect of share option charges	–	–	–	–	–	5.4	5.4	–	5.4	
Retained earnings debit arising on disposal of subsidiary	–	–	–	–	–	(0.2)	(0.2)	–	(0.2)	
At 31 December 2023	82.3	233.9	–	(0.7)	2.5	665.4	983.4	0.1	983.5	
Profit and total comprehensive income for the year	–	–	–	–	–	398.4	398.4	–	398.4	
Dividends	23	–	–	–	–	(76.6)	(76.6)	(0.2)	(76.8)	
Shares repurchased in the buy-back programme	23	(0.7)	–	0.7	–	(33.1)	(33.1)	–	(33.1)	
Consideration paid for own shares	–	–	–	(9.5)	–	–	(9.5)	–	(9.5)	
Retained earnings credit in respect of share option charges	–	–	–	–	–	11.2	11.2	–	11.2	
At 31 December 2024	81.6	233.9	0.7	(10.2)	2.5	965.3	1,273.8	(0.1)	1,273.7	

The number of shares held in the shares in trust reserve is given in Note 23 Share capital, earnings per share and dividends.

Miscellaneous reserves represent other non-distributable reserves.

The Notes and information on pages 144 to 199 form part of these consolidated financial statements.

Consolidated statement of financial position

	Note	As at	As at
		31 December 2024	31 December 2023
		£'Million	£'Million
Assets			
Goodwill	11	23.3	33.6
Deferred acquisition costs	11	286.2	304.4
Intangible assets	11	15.5	36.0
Property and equipment, including leased assets	12	134.0	153.1
Investment property	14, 20	892.3	1,110.3
Deferred tax assets	10	2.7	36.5
Investment in associates	26	21.9	10.2
Reinsurance assets	17	14.9	13.0
Other receivables	15	2,687.4	2,997.4
Financial investments	14, 20	182,320.2	157,973.7
Derivative financial assets	14, 20	2,812.8	3,420.6
Cash and cash equivalents	14	5,663.9	6,204.3
Total assets		194,875.1	172,293.1
Liabilities			
Borrowings	19	516.8	251.4
Deferred tax liabilities	10	679.4	411.7
Insurance contract liabilities	17	518.6	496.0
Deferred income	11	469.5	491.5
Other provisions	18	460.3	500.1
Other payables	16	2,144.3	2,388.1
Investment contract benefits	14	141,038.8	123,149.8
Derivative financial liabilities	14	3,052.1	3,073.0
Net asset value attributable to unit holders	14	44,699.5	40,536.5
Income tax liabilities		22.1	11.5
Total liabilities		193,601.4	171,309.6
Net assets		1,273.7	983.5

	Note	As at	As at
		31 December 2024	31 December 2023
		£'Million	£'Million
Shareholders' equity			
Share capital	23	81.6	82.3
Share premium		233.9	233.9
Capital redemption reserve		0.7	–
Shares in trust reserve		(10.2)	(0.7)
Miscellaneous reserves		2.5	2.5
Retained earnings		965.3	665.4
Equity attributable to owners of the Parent Company		1,273.8	983.4
Non-controlling interests		(0.1)	0.1
Total equity		1,273.7	983.5
		Pence	Pence
Net assets per share		234.1	179.3

The consolidated financial statements on pages 140 to 199 were approved by the Board on 26 February 2025 and signed on its behalf by:

Mark FitzPatrick
Chief Executive Officer

Caroline Waddington
Chief Financial Officer

The Notes and information on pages 144 to 199 form part of these consolidated financial statements.

Consolidated statement of cash flows

	Note	Year ended 31 December 2024	Year ended 31 December 2023 ¹
		£'Million	£'Million
Cash flows from operating activities			
Cash (used in)/generated from operations ¹	21	(528.5)	53.4
Interest received ¹		236.6	168.6
Interest paid		(36.4)	(17.3)
Income taxes paid	10	(326.1)	(179.4)
Contingent consideration paid	20	(1.3)	(6.7)
Net cash (outflow)/inflow from operating activities		(655.7)	18.6
Cash flows from investing activities			
Payments for property and equipment	12	(3.6)	(11.2)
Payment of software development costs	11	(5.1)	(10.9)
Payments for acquisition of subsidiaries and other business combinations, net of cash acquired		–	(5.4)
Payments for associates		(8.3)	(8.8)
Proceeds from sale of shares in subsidiaries and other business combinations, net of cash disposed		–	1.1
Net cash outflow from investing activities		(17.0)	(35.2)
Cash flows from financing activities			
Proceeds from the issue of share capital and exercise of options		–	6.8
Shares repurchased in the share buy-back programme		(33.1)	–
Consideration paid for own shares		(9.5)	(0.5)
Proceeds from borrowings	19	473.8	233.1
Repayment of borrowings	19	(208.1)	(144.8)
Principal elements of lease payments	13	(14.0)	(14.2)
Dividends paid to Company's shareholders	23	(76.6)	(289.6)
Dividends paid to non-controlling interests in subsidiaries		(0.2)	(0.3)
Net cash inflow/(outflow) from financing activities		132.3	(209.5)
Net decrease in cash and cash equivalents		(540.4)	(226.1)
Cash and cash equivalents at 1 January	14	6,204.3	6,432.8
Effects of exchange rate changes on cash and cash equivalents		–	(2.4)
Cash and cash equivalents at 31 December	14	5,663.9	6,204.3

¹ Restated to reclassify £60.6 million of money market fund interest from cash generated from operations to interest received, which had been misclassified.

The Notes and information on pages 144 to 199 form part of these consolidated financial statements.

Notes to the consolidated financial statements under International Financial Reporting Standards

1. Accounting policies

St. James's Place plc (the Company) is a public company limited by shares which is incorporated and registered in England and Wales, domiciled in the United Kingdom and whose shares are publicly traded.

i. Statement of compliance

The Group financial statements consolidate those of the Company and its subsidiaries (together referred to as the Group).

The Group financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

As at 31 December 2024, the following relevant new and amended standards, which the Group adopted as of 1 January 2024, have been applied:

- ◆ Amendments to IAS 1 Presentation of Financial Statements – Non-current liabilities with covenants.

ii. New and amended accounting standards not yet effective

As at 31 December 2024, the following new and amended standards, which are relevant to the Group but have not been applied in the financial statements, were in issue but are not yet effective. All of the below are yet to be endorsed by the UK Endorsement Board.

- ◆ Amendments to the classification and measurement of Financial Instruments – Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
- ◆ IFRS 18 Presentation and Disclosure in Financial Statements.

The Group is currently assessing the impact that the adoption of the above standards and amendments will have on the Group's results reported within the financial statements. The only one expected to have a significant impact on the Group's financial statements is IFRS 18 Presentation and Disclosure in Financial Statements. Further information on this standard is given below.

IFRS 18 Presentation and Disclosure in Financial Statements

The IASB issued IFRS 18 Presentation and Disclosure in Financial Statements on 9 April 2024 which will replace IAS 1. IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and gives investors better basis for analysing and comparing companies:

- ◆ improved comparability in the statement of comprehensive income
- ◆ enhanced transparency of management defined performance measures
- ◆ more useful grouping of information in the financial statements.

Management are currently assessing the impacts of adopting the new standard however it is only expected to have an impact on the presentation and disclosure of the financial statements and is not expected to have an impact on recognition and measurement. The effective date of the standard is 1 January 2027.

iii. Basis of preparation

The going concern basis has been adopted in preparing these financial statements.

The Group's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chief Executive Officer's report and the Chief Financial Officer's report. The financial performance and financial position of the Group are described in the financial review.

As shown in section 3 of the financial review, the Group's capital position remains strong and well in excess of regulatory requirements. In addition, it has continued to operate within its external banking covenants. In addition, the Fitch rating remains at A+ for SJPUK (A at SJP PLC level). Further, the long-term nature of the business results in considerable positive cash flows arising from existing business.

The Board has considered the challenging macroeconomic and geopolitical conditions which continued during 2024, noting that the business continued to be successful in this environment. Notwithstanding these challenges, gross inflows for 2024 were £18.4 billion, up 20% on 2023, with momentum building during the year. Retention of client funds under management remained strong at 94.5% resulting in net inflows of £4.3 billion. These factors along with the performance of our key outsource providers, monitored through our ongoing oversight, supports its view that the business will continue to remain operationally resilient.

The Board has also considered a profitability forecast including base case scenario and severe but plausible downside scenarios. In modelling these scenarios, the Group has considered its liquidity, cash and IFRS results. The downside scenarios are severe but plausible and would still leave the Group with positive cash result and IFRS profit.

As a result of its review, the Board believes that the Group will continue to operate, with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations, for a period of at least 12 months from the date of approval of the Group financial statements.

The financial statements are presented in pounds Sterling rounded to the nearest one hundred thousand pounds. They are prepared on a historical cost basis, except for assets classified as investment property and financial assets and liabilities at fair value through profit and loss.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

Judgements made by management in the application of IFRSs that have material effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 2.

The financial statements are prepared in accordance with the Companies Act 2006 as applicable to companies reporting under IFRS, and the accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

iv. Summary of significant accounting policies

(a) Basis of consolidation

The consolidated financial information incorporates the assets, liabilities and results of the Company and of its subsidiaries. Subsidiaries are those entities which the Group controls. Control exists if the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity (including unit trusts in which the Group holds more than 30% of the units). Further information on how control is assessed, including the judgement taken in consolidating SJP Partner Loans No.1 Limited, the Group's securitisation entity, is set out in Note 2.

Associates are all entities over which the Group has significant influence but not control, and are accounted for at fair value through profit or loss. The Group uses the acquisition method of accounting to account for business combinations and expenses all acquisition costs as they are incurred. The financial information of subsidiaries is included in the consolidated financial statements from the date that control commences until the date that control ceases. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with policies adopted by the Group.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IFRS 9 in the consolidated statement of comprehensive income.

The treatment of transactions with non-controlling interests depends on whether, as a result of the transaction, the Group alters control of the subsidiary. Changes in the Parent's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions; any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Parent entity. Where the Group loses control of a subsidiary, at the date when control is lost the amount of any non-controlling interest in that former subsidiary is derecognised and any investment retained in the former subsidiary is remeasured to its fair value; the gain or loss that is recognised in profit or loss on the partial disposal of the subsidiary includes the gain or loss on the remeasurement of the retained interest.

Intra-Group balances, and any income and expenses or unrealised gains and losses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements.

The St. James's Place Charitable Foundation is not consolidated within the financial information. This is because the Company does not meet the control definitions required by IFRS 10.

(b) Fee and commission income

Fee and commission income comprises:

- (i) advice charges (post-RDR) paid by clients who receive advice alongside their investment in a St. James's Place product. Advice may be provided at initial investment, and on an ongoing basis;
- (ii) third-party fee and commission income, due from third-party product providers in respect of products sold on their behalf;
- (iii) wealth management fees paid by clients for the ongoing administration of their investment products;
- (iv) investment management fees paid by clients for all aspects of investment management, including fees taken by the Group to pay third-party investment advisers;
- (v) fund tax deductions, which are fees charged to clients to match the policyholder tax expense;
- (vi) policyholder tax asymmetry, which is the difference between the deferred tax position and the offsetting client balances;
- (vii) discretionary fund management (DFM) fees generated through the services provided by our DFM business; and
- (viii) amortisation of deferred income (DIR), the unwinding of income that has been deferred. This relates to initial product charges and dealing margins from unit trusts.

The provision of initial advice is a distinct performance obligation. As a result, initial advice charges are recognised in full on acceptance and inception of the associated policy by the relevant product provider, which may be a Group company or a third-party. Ongoing advice charges are recognised as revenue on an ongoing basis, consistent with the nature of the performance obligation being discharged, rather than at a single point in time.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

Third-party fee and commission income is recognised in full on acceptance and inception of the associated policy by the relevant third-party product provider. The performance obligation is the initial advice provided to a client which leads to investment in a third-party product, hence it is appropriate that this revenue stream is recognised on the same basis as initial advice charges. Where the third-party product provider retains the right to clawback of commission on an indemnity basis, revenue on sale of these products is recognised to the extent that it is highly probable the revenue will not be clawed back. A provision is recognised for any amounts received which do not meet the 'highly probable' threshold.

Wealth management fees, investment management fees, fund tax deductions, policyholder tax asymmetry and DFM fees relate to services provided on an ongoing basis, and revenue is recognised on an ongoing basis to reflect the nature of the performance obligations being discharged.

When initial product charges and dealing margins do not relate to a distinct performance obligation satisfied at inception of a contract, the income is deferred and amortised over the anticipated period in which the services will be provided.

(c) Expenses

(i) Payments to Partners

Payments to Partners comprise initial commission and initial advice fees (IAF) (paid for initial advice, at policy outset and within an initial period for regular contribution), renewal commission and renewal advice fees (payable on regular contributions) and fund fee commission or ongoing advice fees (OAF) (based on funds under management). Initial and renewal commission and advice fees are recognised in line with the associated premium income, but initial commission on insurance and investment contracts may be deferred, as set out in accounting policy (m). Fund fee commission and ongoing advice fees are recognised on an accruals basis.

(ii) Lease expenses

Lease expenses under IFRS 16 comprise depreciation of the right-of-use asset. Further information on depreciation of the right-of-use asset is set out in accounting policy (o).

The Group recognises lease payments associated with short-term leases and leases of low-value assets on a straight-line basis over the lease term.

(d) Investment return

Investment return comprises investment income and investment gains and losses. Investment income includes dividends, interest and rental income from investment properties under operating leases. Dividends are accrued on an ex-dividend basis, and rental income is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Interest on assets classified at fair value through profit or loss are accounted for based on the actual coupon payments, whilst interest on financial assets measured at amortised cost are accounted for using the effective interest method.

(e) Insurance revenue

Insurance revenue represents the expected income from the provision of insurance services. The income is recognised during the coverage period in which the services will be provided.

(f) Insurance service expenses

Insurance service expenses comprise insurance claims and other insurance service expenses. The expense is recognised during the relevant coverage period in which the services will be provided, excluding any investment components.

(g) Finance income

Finance income comprises interest received on cash and cash equivalents and business loans to Partners. Interest on assets classified at fair value through profit or loss is accounted for based on the actual coupon payments, whilst interest on financial assets measured at amortised cost is accounted for using the effective interest method.

(h) Finance costs

Finance costs comprise an interest expense on the lease liability and external borrowings. Interest expense on the lease liability and external borrowings is calculated using the effective interest method.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

(i) Income taxes

Income tax on the profit or loss for the year comprises current and deferred tax charge of the Group in respect of policyholders and shareholders. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity. Tax liabilities are recognised when it is considered probable that there will be a future outflow of funds to a taxing authority, and are measured using a best-estimate approach.

(i) Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(ii) Deferred tax

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. 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 and taking into account expected timing of utilisation.

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.

(iii) Policyholder and shareholder tax

The total income tax charge is a separate adjustment within the statement of comprehensive income based on the movement in current and deferred income taxes in respect of income, gains and expenses. The total charge reflects tax incurred on behalf of policyholders as well as shareholders, and so it is useful to be able to identify these separately.

Shareholder tax is estimated by making an assessment of the effective rate of tax that is applicable to the shareholders on the profits attributable to shareholders. This is calculated by applying the appropriate effective corporate tax rates to the shareholder profits. The remainder of the tax charge represents tax on policyholders' investment returns.

(j) Dividends

Interim dividend distributions to the Company's shareholders are recognised in equity in the period in which they are paid. Final dividend distributions to the Company's shareholders are recognised in the period in which the dividends are declared: that is, when they are appropriately authorised and no longer at the discretion of the Company. The final dividend for the financial year is disclosed but shown as unpaid and awaiting approval by the Company's shareholders at the Annual General Meeting.

(k) Investment contract deposits and withdrawals

Investment contract payments in and out are not included in the statement of comprehensive income but are reported as deposits to or deductions from investment contract benefits in the statement of financial position. The movement in investment contract benefits within the statement of comprehensive income principally represents the investment return credited to policyholders.

Explicit advice charges are payable by most clients who wish to receive advice with their investment in a St. James's Place retail investment product. St. James's Place facilitates the payment of these charges for the client, by arranging withdrawals from the client's policy, which are then recognised as income to the Group. A proportion of the charge is then paid to the St. James's Place adviser who provides the advice (see (b) Fee and commission income (i) and (c) Expenses (i)).

(l) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired entity at the date of acquisition. Where the fair value of the Group's share of the identifiable net assets of the acquired entity is greater than the cost of acquisition, the excess is recognised immediately in the statement of comprehensive income.

Goodwill is recognised as an asset at cost and is reviewed at least annually for impairment or when circumstances or events indicate there may be uncertainty over this value. If an impairment is identified, the carrying value of the goodwill is written down immediately through the statement of comprehensive income and is not subsequently reversed. At the date of disposal of a subsidiary, the carrying value of attributable goodwill is included in the calculation of the profit or loss on disposal except where it has been written off directly to reserves in the past.

(m) Deferred acquisition costs

For investment contracts, only directly attributable acquisition costs, which vary with and are related to securing new contracts and renewing existing contracts, are deferred, and only to the extent that they are recoverable out of future revenue. These deferred acquisition costs, which represent the contractual right to benefit from providing investment management services, net of any impairment losses, are amortised to expenses in the statement of comprehensive income on a straight-line basis over the expected lifetime of the Group's investment contracts. All other costs are recognised as expenses when incurred. The period over which costs are expected to be recoverable for investment contracts is 14 years.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

(n) Intangible assets

(i) Purchased value of in-force business

The purchased value of in-force business represents the present value of profits that are expected to emerge from business acquired on business combinations. It is calculated at the time of acquisition using best-estimate actuarial assumptions for interest, mortality, persistency and expenses, net of any impairment losses, and it is amortised on a straight-line basis as profits emerge over the anticipated lives of the related contracts in the portfolio.

An intangible asset is also recognised in respect of acquired investment management contracts, representing the fair value of contractual rights acquired under those contracts. The purchased value of in-force business is expressed as a gross figure in the statement of financial position, with the associated tax included within deferred tax liabilities. It is assessed for impairment at each reporting date and any movement is charged to the statement of comprehensive income.

The estimated useful economic life of acquired in-force business is 20 years.

(ii) Computer software and other specific software developments

Computer software is stated at cost less accumulated amortisation and any recognised impairment loss. The carrying value is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Computer software, including cloud customisation costs, is recognised as an intangible asset during development, with amortisation commencing when the software is operational. Amortisation is charged to the statement of comprehensive income to expenses on a straight-line basis over 5 years, being the estimated useful life of the intangible asset.

(o) Property and equipment

Property and equipment comprises both assets which are owned and those which are leased.

(i) Initial and subsequent measurement of owned assets

Owned items of property and equipment are stated at cost less accumulated depreciation and impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged to expenses within the statement of comprehensive income on a straight-line basis over the estimated useful lives of the property and equipment, which are as follows:

Fixtures, fittings and office equipment:	5 to 15 years
Computer equipment:	3 years

(ii) Initial and subsequent measurement of leased assets

A right-of-use asset is recognised within property and equipment for leased items which are not subject to the short-term or low-value lease exemptions set out in IFRS 16. This comprises the Group's leased property portfolio. The right-of-use asset recognised on the commencement date of the lease is the value of the lease liability (refer to accounting policy (ab)), plus expected dilapidation costs, initial direct costs (that is, incremental costs that would not have been incurred if the lease had not been obtained, such as legal fees) and lease payments made before or at the commencement date of the lease. Following initial recognition, depreciation is charged to expenses within the statement of comprehensive income on a straight-line basis over the lease term.

(iii) Impairment of owned and leased assets

The carrying value of owned and leased assets is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Any assets that may have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(p) Investment property

Investment properties, which are all held within the unit-linked funds, are properties which are held to earn rental income and/or for capital appreciation. They are stated at fair value. An external, independent valuer, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, values the portfolio every month.

The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Any gain or loss arising from a change in fair value is recognised in the statement of comprehensive income within investment income. Rental return from investment property is accounted for as described in accounting policy (d).

(q) Reinsurance assets

Reinsurance assets represent amounts recoverable from reinsurers in respect of non-unit-linked insurance contract liabilities, net of any future reinsurance premiums. See (v) Insurance contract liabilities for further information.

The contract boundary for a reinsurance contract is dependent on the terms and conditions of the reinsurance contract. Such terms have been assessed and considered to be the same as for the underlying contracts.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

(r) Other receivables

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

Most shareholder other receivables are initially recognised at fair value and subsequently held at amortised cost less impairment losses, as the business model for these assets is to hold to collect contractual cash flows, which consist solely of payments of principal and interest. The exception to this is renewal income assets, which are classified as fair value through profit and loss and are initially, and subsequently, recognised at fair value. The value of any impairment recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate. See accounting policy (af) for information relating to the treatment of impaired amounts.

Other receivables include prepayments, which are recognised where services are paid for in advance of the benefit being received. The prepayment reduces, and an expense is recognised in the statement of comprehensive income, as the service is received.

Commission and advice fees in respect of some insurance and investment business may be paid to Partners in advance of renewal premiums and accelerated by up to 5 years. The unearned element of this accelerated remuneration is recognised as advanced payments to Partners within other receivables. Should the contributions reduce or stop within the initial period, any unearned amount is recovered.

Derecognition

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third-party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risk and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

(s) Financial investments

These financial assets are initially and subsequently recognised at fair value through profit and loss, with all gains and losses recognised within investment income in the statement of comprehensive income. The vast majority of these financial assets are quoted, and so the fair value is based on the value within the bid-ask spread that is most representative of fair value. If the market for a financial asset is not active, the Group establishes fair value by using valuation techniques such as recent arm's-length transactions, reference to similar listed investments, discounted cash flow models or option pricing models.

Subsequent measurement of these financial assets at fair value through profit and loss is required by IFRS 9 for debt instruments for which the objectives of the Group's business model are not met by either holding the instrument to collect contractual cash flows or selling the instruments, or where the contractual terms of the instrument do not give rise to cash flows which are solely payments of principal and interest. Where both the 'business model' and 'solely payments of principal and interest' tests are met, management has made an irrevocable decision to designate the debt instruments at fair value through profit and loss as doing so aligns the measurement of the financial assets with the measurement of their associated unit-linked liabilities.

Management has not made the irrevocable election to present changes in the fair value of equity instruments in other comprehensive income, and so all equity instruments are also designated at fair value through profit and loss.

The Group recognises purchases and sales of investments on trade date. The costs associated with investment transactions are included within expenses in the statement of comprehensive income.

(t) Derivative financial instruments

The Group uses derivative financial instruments within some unit-linked funds, with each contract initially and subsequently recognised at fair value, based on observable market prices. All changes in value are recognised within investment income in the statement of comprehensive income.

(u) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments.

Cash and cash equivalents held within unit-linked and unit trust funds are classified at fair value through profit and loss, as management has made an irrevocable decision to designate them as such in order to align the measurement of these financial assets with the measurement of their associated unit-linked liabilities. Therefore, these cash and cash equivalents are initially and subsequently recognised at fair value through profit and loss, with gains and losses recognised within investment return in the statement of comprehensive income.

All other cash and cash equivalents are classified at amortised cost, as the business model for these assets is to hold to collect contractual cash flows, which consist solely of payments of principal and interest. They are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less impairment losses.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

(v) Insurance contract liabilities

Insurance contract liabilities are determined by applying the default General Measurement Model (GMM) to non-unit-linked insurance business and reinsurance ceded, and the Variable Fee Approach (VFA) to unit-linked insurance business measured under IFRS 17.

The contract boundary is assessed at transition and then reassessed only when there are changes in features or circumstances that alter the commercial substance of the contract or change the products within a portfolio.

Under the GMM (applicable to non-unit-linked insurance business and reinsurance ceded), groups of contracts are recognised and measured as:

- ◆ the Fulfilment Cash Flows, comprising an estimate of future cash flows, adjusted to reflect the time value of money, the financial risks associated with the future cash flows, and a risk adjustment for non-financial risk (RA)
- ◆ the Contractual Service Margin (CSM), comprising the unearned profit within a group of contracts that will be recognised as the Group provides insurance services in the future.

The estimate of future cash flows represents the best estimate of the cost to fulfil cash flows within the contract boundary, incorporating current non-financial assumptions.

The RA represents the compensation that an entity requires for bearing the uncertainty about the amount and timing of cash flows that arise from non-financial risk as the entity fulfils insurance contracts. It is calculated using a cost of capital approach, leveraging the Solvency II view of non-financial risk.

The CSM is determined at contract outset or IFRS 17 transition and subsequently remeasured for non-financial changes in the Fulfilment Cash Flows and the accretion of interest using a discount rate locked in at transition. It is amortised over the period of the contract in line with coverage units based upon the sum assured, which reflect the quantity of insurance services provided. If a group of contracts is expected to be onerous (i.e. loss-making) over the remaining coverage period, a loss is recognised immediately.

Under the VFA (applicable to unit-linked insurance business), the GMM is supplemented by an adaptation for contracts with direct participation features. The Fulfilment Cash Flows for unit-linked insurance business reflect an obligation to pay policyholders an amount equal to the fair value of underlying assets, less the variable fee for future service. The RA reflects the compensation for non-financial risk in relation to this variable fee only. The CSM is subsequently remeasured for changes in the variable fee only, arising from both financial and non-financial risks.

(w) Investment contract benefits

All of the Group's investment contracts are unit-linked. Unit-linked liabilities are measured at fair value by reference to the value of the underlying net asset value of the Group's unitised investment funds, on a bid valuation basis, at the reporting date. An allowance for deductions due to (or from) the Group in respect of policyholder tax on capital gains (and losses) in the life assurance funds is also reflected in the measurement of unit-linked liabilities. Investment contract benefits are recognised when units are first allocated to the policyholder; they are derecognised when units allocated to the policyholder have been cancelled.

The decision by the Group to designate its unit-linked liabilities at fair value through profit and loss reflects the fact that the matching investment portfolio, which underpins the unit-linked liabilities, is recognised at fair value through profit and loss.

(x) Deferred income

The initial margin on financial instruments is deferred and recognised on a straight-line basis over the expected lifetime of the financial instrument, which is between 6 and 14 years.

(y) Net asset value attributable to unit holders

The Group consolidates unit trusts in which it holds more than 30% of the units and exercises control. The third-party interests in these unit trusts are termed the net asset value attributable to unit holders and are presented in the statement of financial position. They are classified at FVTPL, hence are initially and subsequently measured at fair value. The decision by the Group to designate the net asset value attributable to unit holders at FVTPL reflects the fact that the underlying investment portfolios are recognised at FVTPL.

Income attributable to the third-party interests is accounted for within investment return, offset by a corresponding change in investment contract benefits.

(z) Other provisions

Provisions are made where an event has taken place that gives the Group 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 year that the Group 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.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

(aa) Borrowings

Borrowings are measured initially at fair value, net of directly attributable transaction costs, and subsequently stated at amortised cost. The difference between the proceeds and the redemption value is recognised in the statement of comprehensive income over the borrowing period on an effective interest rate basis. Borrowings are recognised on drawdown and derecognised on repayment.

(ab) Other payables

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

Other payables include lease liabilities calculated in accordance with IFRS 16. On the commencement date of the lease the lease liability is measured as the present value of the future lease payments to be made over the lease term. For the Group, future lease payments include those which are fixed and those which vary depending on an index or rate. The future lease payments are discounted at the Group's incremental borrowing rate at the commencement date of the lease, which varies depending on the lease term. The lease term includes the non-cancellable period for which the Group has the right to use the leased asset, plus periods covered by extension options where the option is reasonably certain to be taken. Conversely, the non-cancellable period is reduced if it is reasonably certain that a termination option will be taken.

The incremental borrowing rate is management's judgement as to the rate of interest that the Group would have to pay to borrow, over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the cost of the right-of-use asset. This has been determined with reference to the rate of interest of existing borrowings held by the Group and market rates adjusted to take into account the security and term associated with the lease.

The Group applied the practical expedient on transition to IFRS 16 on 1 January 2019 of applying a single discount rate to a portfolio of leases with reasonably similar characteristics by grouping leases by asset type and remaining lease term on the date of transition. Similarly, the Group periodically determines standard discount rates to apply for leases entered into since 1 January 2019 by asset type and lease term.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expired.

(ac) Employee benefits

(i) Pension obligations

The Group operates a defined contribution personal pension plan for its employees. Contributions to this plan are recognised as an expense in the statement of comprehensive income as incurred. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(ii) Share-based payments

The Group operates a number of share-based payment plans for employees, Partners and advisers. The fair value of share-based payment awards granted is recognised as an expense spread over the vesting period of the instrument, which accords with the period for which related services are provided, with a corresponding increase in equity in the case of equity-settled plans and the recognition of a liability for cash-settled plans.

The total amount to be expensed is determined by reference to the fair value of the awards, which are measured using standard option pricing models as the fair value of the services provided by employees, Partners and advisers cannot be reliably measured. For equity-settled plans, the fair value is determined at grant date and not subsequently remeasured.

For cash-settled plans, the fair value is remeasured at each reporting date and at the date of settlement, with any changes in fair value recognised in the statement of comprehensive income for the period.

At each reporting date, the Group revises its estimate of the number of awards that are expected to vest and it recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, such that the amounts recognised for employee, Partner and adviser services are based on the number of awards that actually vest. The charge to the statement of comprehensive income is not revised for any changes in market vesting conditions.

(ad) Share capital

Ordinary shares are classified as equity. Where any Group entity purchases the Company's equity share capital (shares held in trust), the consideration paid is deducted from equity attributable to shareholders, as disclosed in the Shares in trust reserve. Where such shares are subsequently sold, reissued or otherwise disposed of, any consideration received is included in equity attributable to shareholders, net of any directly attributable incremental transaction costs and the related income tax effects.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

1. Accounting policies continued

(ae) Product classification

The Group's products are classified for accounting purposes as either insurance contracts or investment contracts.

(i) Insurance contracts

Insurance contracts are contracts that transfer significant insurance risk. The Group's historic product range includes a variety of term assurance and whole-of-life protection contracts involving significant insurance risk transfer.

(ii) Investment contracts

Contracts that do not transfer significant insurance risk are treated as investment contracts. The majority of the business written by the Group is unit-linked investment business and is classified as investment contracts.

(af) Impairment

(i) Non-financial assets

Assets that are subject to amortisation are reviewed for impairment when circumstances or events indicate there may be uncertainty over their value. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or its value-in-use. Refer to accounting policy (l) for the Group's impairment policy for goodwill.

(ii) Financial assets

Financial assets held at amortised cost are impaired using an expected credit loss model. The model splits financial assets into performing, underperforming and non-performing categories based on changes in credit quality since initial recognition. At initial recognition financial assets are considered to be performing. They become underperforming where there has been a significant increase in credit risk since initial recognition, and non-performing when there is objective evidence of impairment. 12 months of expected credit losses are recognised within expenses in the statement of comprehensive income and netted against the financial asset in the statement of financial position for all performing financial assets, with lifetime expected credit losses recognised for underperforming and non-performing financial assets.

Expected credit losses are based on the historic levels of loss experienced for the relevant financial assets, with due consideration given to forward-looking information.

The most significant category of financial assets held at amortised cost for the Group are business loans to Partners, which are explained in more detail in Note 15. The significant increase in credit risk which triggers the move from performing to underperforming for these assets is when they are more than 30 days past due, in line with the presumption set out in IFRS 9 Financial Instruments, or when the loan facility has expired and is in the process of being renegotiated. Business loans to Partners are classified as non-performing when the loan is to a Partner who has left the St. James's Place Partnership, or when the loan is to a Partner whom management considers to be at significant risk of leaving the Partnership and where an orderly settlement of debt is considered to be in question. The definition of non-performing loans in this context is a critical accounting judgement, about which more information is set out in Note 2.

(ag) Foreign currency translation

The Group's presentation and the Company's functional currency is pounds Sterling. The statement of comprehensive income and statement of cash flows for foreign subsidiaries are translated into the Group's presentation currency using exchange rates prevailing at the date of the transaction. The statement of financial position for foreign subsidiaries is translated at the year-end exchange rate. Exchange rate differences arising from these translations are taken to the statement of comprehensive income.

Foreign currency transactions are translated into pounds Sterling using the exchange rate prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the reporting date and the gain or losses on translation are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities which are held at historical cost are translated using exchange rates prevailing at the date of the transaction; those held at fair value are translated using exchange rates ruling at the date on which the fair value was determined.

(ah) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Chief Operating Decision-Maker, responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Executive Committee.

(ai) Current and non-current disclosure

Assets which are expected to be recovered or settled no more than 12 months after the reporting date are disclosed as current within the Notes to the financial statements. Those expected to be recovered or settled more than 12 months after the reporting date are disclosed as non-current.

Liabilities which are expected or due to be settled no more than 12 months after the reporting date are disclosed as current within the Notes to the financial statements. Those liabilities which are expected or due to be settled more than 12 months after the reporting date are disclosed as non-current.

(aj) Alternative performance measures

Within the financial statements, a number of alternative performance measures (APMs) are disclosed. An APM is a measure of financial performance, financial position or cash flows which is not defined by the relevant financial reporting framework, which for the Group is International Financial Reporting Standards as adopted by the UK Endorsement Board. APMs are used to provide greater insight into the performance of the Group and the way it is managed by the Directors. A definition of each of the APMs is included in the glossary of alternative performance measures section, which explains why it is used and, where applicable, explains how the measure can be reconciled to the IFRS financial statements.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

2. Critical accounting estimates and judgements in applying accounting policies

Estimates

Critical accounting estimates are those which give rise to a significant risk of material adjustment to the balances recognised in the financial statements within the next 12 months. The Group's critical accounting estimates relate to:

- ◆ determining the value of insurance contract liabilities and reinsurance assets
- ◆ determining the fair value of investment property
- ◆ determining the fair value of Level 3 fixed income securities and equities
- ◆ determining the value of the Ongoing Service Evidence provision
- ◆ determining the value of the complaints provision.

Estimates are also applied in calculating other assets of the financial statements, including determining the value of deferred tax assets, investment contract benefits, the operational readiness prepayment and other provisions.

Determining the value of insurance contract liabilities and reinsurance assets

In accordance with IFRS 17, the Group has used the following assumptions in the calculation of insurance contract liabilities and reinsurance assets:

- ◆ the assumed rate of investment return, which is based on current risk-free swap rates
- ◆ the mortality and morbidity rates, which are based on the results of an investigation of experience during the year
- ◆ the level of expenses, which for the year under review is based on actual expenses in 2024 and expected rates in 2025 and over the long term
- ◆ the lapse assumption, which is set based on an investigation of experience during the year
- ◆ the risk adjustment, which is determined using a cost of capital approach with a 3% charge (2023: 3%). There has been no change during the year.

Further details of the valuation of insurance contract liabilities and reinsurance assets, including sensitivity analysis, are set out in Note 17.

Determining the fair value of investment property

In accordance with IAS 40, the Group initially recognises investment properties at cost, and subsequently remeasures its portfolio to fair value in the statement of financial position. Fair value is determined at least monthly by professional external valuers. It is based on anticipated market values for the properties in accordance with the guidance issued by the Royal Institution of Chartered Surveyors (RICS), being the estimated amount that would be received from a sale of the assets in an orderly transaction between market participants.

The valuation of investment property is inherently subjective as it requires, among other factors, assumptions to be made regarding the ability of existing tenants to meet their rental obligations over the entire life of their leases, the estimation of the expected rental income into the future, the assessment of a property's potential to remain as an attractive technical configuration to existing and prospective tenants in a changing market and a judgement on the attractiveness of a building, its location and the surrounding environment. Wherever appropriate, sustainability and environmental matters are an integral part of the valuation approach. In a valuation context, sustainability encompasses a wide range of physical, social, environmental and economic factors that can affect value. The range of issues includes key environmental risks, such as flooding, energy efficiency and climate, as well as design, configuration, accessibility, legislation, management and fiscal considerations and, additionally, current and historical land use. As such, investment properties are classified as Level 3 in the IFRS 13 fair value hierarchy because they are valued using techniques which are not based on observable inputs.

During the year, SJP announced the decision to wind down the Property Unit Trust and remove the Property Life and Pension fund options. The process of determining the fair value of investment property remains unchanged.

Further details of the valuation of investment properties, including sensitivity analysis, are set out in Note 20.

Determining the fair value of Level 3 fixed income securities and equities

In accordance with IFRS 9, the Group elects to classify its portfolio of policyholder fixed income securities at fair value through profit and loss to match the accounting for policyholder liabilities. Its portfolio of equities is required to be held at fair value through profit and loss. As a result, all fixed income securities and equities are held at fair value, with the best evidence of the fair value at initial recognition typically being the transaction price, i.e. the fair value of the consideration given or received.

A number of investments are held in private credit and private equity assets, which are recognised within fixed income securities and within equities, respectively, on the consolidated statement of financial position. The fair value of these assets is determined following a monthly valuation process which uses two different valuation models and includes verification by professional external valuers. The models use suitable market comparatives and an estimate of future cash flows expected to flow from the issuing entity.

The valuations are inherently subjective as they require a number of assumptions to be made, such as determining which entities provide suitable market comparatives and their relevant performance metrics (for example earnings before interest, tax, depreciation and amortisation), determining appropriate discount rates and cash flow forecasts to use in models, the weighting to apply to each valuation methodology, and the point in the range of valuations to select as the fair value. As the inputs to the valuation models are unobservable, the investments in private credit and private equity assets are classified as Level 3 in the IFRS 13 fair value hierarchy.

Further details about the valuation models, including sensitivity analysis, is set out in Note 20.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

2. Critical accounting estimates and judgements in applying accounting policies continued

Determining the value of the Ongoing Service Evidence provision

The Group has committed to review the sub-population of clients that has been charged for ongoing advice services since the start of 2018 but where the evidence of delivery falls below the acceptable standard. Where the standard of evidence is deemed by the Group to be marginal the Group will invite clients to join the review (the 'Opt-In population'), but where the standard of evidence is deemed to be poor the Group will include clients in the review unless instructed otherwise (the 'Opt-Out population').

In accordance with IAS 37, and reflecting an initial assessment of a statistically credible representative cohort of clients undertaken by a skilled person, the Group has quantified the Ongoing Service Evidence provision as the best estimate of the amount necessary to settle the present obligation, taking into account the associated risks and uncertainties.

The period for the review has been determined by the Group to commence from 2018 following an assessment of the regulatory regime in force during this period and the requirement to retain evidence of delivery for this period of time.

Key estimates and assumptions in assessing the estimated value are:

- ◆ extrapolation from a representative cohort – that the initial assessment, of a statistically credible representative cohort of client records, can be extrapolated to the wider review population
- ◆ Opt-In response rate – the response rate by clients to an invitation, taking into account industry experience
- ◆ administration costs – that in-house historic experience and wider market experience of similar exercises can be used to estimate the cost to fulfil the exercise.

Further details of the provision, including sensitivity analysis, are set out in Note 18.

Determining the value of the complaints provision

In accordance with IAS 37 the Group has continued to quantify the complaints provision as the best estimate of the amount necessary to settle the present obligation, taking into account the associated risks and uncertainties. The key estimate in assessing the value of the provision is the assessment of the proportion of cases requiring redress. Further details of the provision are set out in Note 18.

Judgements

The primary areas in which the Group has applied judgement are as follows:

Consolidation

Entities are consolidated within the Group financial statements if they are controlled by the Group. Control exists if the Group is exposed to, or has rights to, variable returns from its involvement with the entity and the Group has the ability to affect those returns through its power over the entity. Significant judgement can be involved in determining whether the Group controls an entity, such as in the case of the structured entity set up for the Group's securitisation transaction, SJP Partner Loans No.1 Limited, and for the Group's unit trusts.

A structured entity is one that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. As a result, factors such as whether a Group entity is able to direct the relevant activities of the entity and the extent to which the Group is exposed to variability of returns are considered. In the case of SJP Partner Loans No.1 Limited, it was determined that the Group does control the entity and hence it is consolidated. This is due to an entity in the Group holding the junior tranche of loan notes, hence being subject to variability of returns, and the same entity being able to direct the relevant activities of the structured entity through its role of servicer to the securitised portfolio.

Unit trusts are consolidated when the Group holds more than 30% of the units in that unit trust. This is the threshold at which the Group is considered to achieve control, having regard to factors such as:

- ◆ the scope of decision-making authority held by St. James's Place Unit Trust Group Limited, the unit trust manager
- ◆ rights held by external parties to remove the unit trust manager
- ◆ the Group's exposure to variable returns through its holdings in the unit trusts and its ability to influence the unit trust manager's remuneration.

Determining non-performing business loans to Partners

Business loans to Partners are considered to be non-performing (Stage 3), in the context of the definition prescribed by IFRS 9, if they are in default. This is defined as a loan to either:

- ◆ a Partner who has left the St. James's Place Partnership; or
- ◆ a Partner whom management considers to be at significant risk of leaving the Partnership and where an orderly settlement of debt is considered to be in question.

Determining the derecognition of business loans to Partners

Business loans to Partners are derecognised, in the context of the definition prescribed by IFRS 9, when:

- ◆ the assets have been sold to a third-party
- ◆ there is an obligation to pay received cash flows in full without material delay to a third-party under a 'pass-through' arrangement
- ◆ the originator has transferred substantially all the risks and rewards of owning the assets.

See Note 15 for further information on the derecognition of business loans to Partners.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

3. Segment reporting

IFRS 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Board, in order to allocate resources to each segment and assess its performance.

The Group's only reportable segment under IFRS 8 is a 'wealth management' business – providing support to our clients through our network of advisers providing valuable face-to-face financial advice, and financial solutions including (but not limited to) wealth management products manufactured in the Group, such as insurance bonds, pensions, unit trust and ISA investments, and a DFM service.

Separate geographical segmental information is not presented since the Group does not segment its business geographically. Most of its customers are based in the United Kingdom, as is management of the assets. In particular, the operation based in Asia is not yet sufficiently material for separate consideration.

Segment revenue

Revenue received from fee and commission income is set out in Note 4, which details the different types of revenue received from our wealth management business.

Segment profit

Two separate measures of profit are monitored by the Board. These are the post-tax Underlying cash result and the pre-tax European Embedded Value (EEV) profit. Further details can be found within the glossary of alternative performance measures section.

Underlying cash result

The measure of cash profit monitored by the Board is the post-tax Underlying cash result. For further information please refer to the glossary of alternative performance measures section.

More detail is provided in section 2.2 of the financial review.

The Cash result should not be confused with the IFRS consolidated statement of cash flows, which is prepared in accordance with IAS 7.

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Underlying cash result after tax	447.2	392.4
Ongoing Service Evidence provision	–	(323.7)
Movement in DAC/DIR/PVIF	(0.1)	3.1
Impact of policyholder tax asymmetry (see Note 4) ¹	(38.9)	(44.4)
Equity-settled share-based payments	(11.2)	(5.4)
Impact of deferred tax	(9.0)	(24.9)
Other	10.4	(7.0)
IFRS profit/(loss) after tax	398.4	(9.9)
Shareholder tax	137.5	5.4
Profit/(loss) before tax attributable to shareholders' returns	535.9	(4.5)
Tax attributable to policyholder returns	513.2	444.1
IFRS profit before tax	1,049.1	439.6

¹ Further information on policyholder tax asymmetry can also be found in the Glossary.

EEV operating profit

EEV operating profit is monitored by the Board. The components of the EEV operating profit are included in more detail in the financial review within the Annual Report and Accounts.

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
EEV operating profit/(loss) before tax after exceptional items	1,045.0	(1,891.6)
Investment return variance	533.7	501.7
Economic assumption changes	23.5	2.5
EEV profit/(loss) before tax	1,602.2	(1,387.4)
Adjustments to IFRS basis:		
Deduct: amortisation of purchased value of in-force business	(3.2)	(3.2)
Movement of balance sheet life value of in-force business (net of tax)	(354.5)	2,769.6
Movement of balance sheet unit trust and DFM value of in-force business (net of tax)	(345.4)	226.0
Movement of balance sheet other value of in-force business (net of tax)	(291.4)	(1,918.9)
Tax on movement in value of in-force business	(71.8)	309.4
Profit/(loss) before tax attributable to shareholders' returns	535.9	(4.5)
Tax attributable to policyholder returns	513.2	444.1
IFRS profit before tax	1,049.1	439.6

The movement in life, unit trust and DFM, and other value of in-force business is the difference between the opening and closing discounted value of the profits that will emerge from the in-force book over time, after adjusting for DAC and DIR impacts which are already included under IFRS.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

3. Segment reporting continued

Segment assets

Funds under management (FUM)

FUM, as reported in section 1 of the financial review, is the measure of segment assets which is monitored on a monthly basis by the Board.

	31 December 2024	31 December 2023
	£'Million	£'Million
Investment	39,180.0	35,990.0
Pension	101,980.0	87,320.0
UT/ISA and DFM	49,050.0	44,890.0
Total FUM	190,210.0	168,200.0
Exclude client and third-party holdings in non-consolidated unit trusts and DFM	(4,183.3)	(4,360.4)
Other	3,923.7	3,968.2
Gross assets held to cover unit liabilities	189,950.4	167,807.8
IFRS intangible assets	335.1	399.6
Shareholder gross assets	4,589.6	4,085.7
Total assets	194,875.1	172,293.1

Other represents liabilities included within the underlying unit trusts. The unit trust liabilities form a reconciling item between total FUM, which is reported net of these liabilities, and total assets, which exclude these liabilities.

More detail on IFRS intangible assets and shareholder gross assets is provided in section 2.2 of the financial review.

4. Fee and commission income

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Advice charges (post RDR)	1,089.2	954.3
Third-party fee and commission income	131.3	132.4
Wealth management fees	1,234.1	1,065.0
Investment management fees	74.5	68.4
Fund tax deductions	513.2	444.1
Policyholder tax asymmetry	(38.9)	(44.4)
Discretionary fund management fees	23.4	23.6
Fee and commission income before DIR amortisation	3,026.8	2,643.4
Amortisation of DIR	137.1	145.5
Total fee and commission income	3,163.9	2,788.9

Advice charges are received from clients for the provision of initial and ongoing advice in relation to a post-Retail Distribution Review (RDR) investment into a St. James's Place or third-party product.

Third-party fee and commission income is received from the product provider where an investment has been made into a third-party product.

Wealth management fees represent charges levied on manufactured business.

Investment management fees are received from clients for the provision of all aspects of investment management. Broadly, investment management fees are matched by investment management expenses.

Fund tax deductions represent amounts credited to, or deducted from, the life insurance business to match policyholder tax credits or charges. Market conditions will impact the level of fund tax deductions. This may lead to significant year-on-year movements when markets are volatile.

Life insurance tax incorporates a policyholder tax element, and the financial statements of a life insurance group need to reflect the liability to HMRC, with the corresponding deductions incorporated into policy charges ('Fund tax deductions' in the table on the left). The tax liability to HMRC is assessed using IAS 12 Income Taxes, which does not allow discounting, whereas the policy charges are designed to ensure fair outcomes between clients and so reflect a wide range of possible outcomes. This gives rise to different assessments of the current value of future cash flows and hence an asymmetry in the IFRS consolidated statement of financial position between the deferred tax position and the offsetting client balance. The net tax asymmetry balance reflects a temporary position, and in the absence of market volatility we expect it will unwind as future cash flows become less uncertain and are ultimately realised.

External market conditions drive the movement in the policyholder tax asymmetry balances. Net market gains in the year to 31 December 2024 have resulted in a negative policyholder tax asymmetry.

Discretionary fund management fees are received from clients for the provision of DFM services.

Where an investment has been made in a St. James's Place product, the initial product charge is deferred and recognised as a deferred income liability. This liability is extinguished, and income recognised, over the expected life of the investment. The income is the amortisation of DIR in the table on the left.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

5. Expenses

The following items are included within the expenses disclosed in the statement of comprehensive income:

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Payments to Partners	1,134.8	1,013.2
Fees payable to the Company's auditors and its associates:		
For the audit of the Company and consolidated financial statements	0.5	0.4
For other services:		
– Audit of the Company's subsidiaries (excluding unit trusts)	0.8	0.9
– Audit of the Company's unit trusts	0.8	0.8
– Audit-related assurance services	0.7	0.7
– Other assurance services	0.2	0.2
Total fees payable to the Company's auditors and its associates	3.0	3.0
Employee costs:		
Wages and salaries	255.5	208.2
Social security costs	29.2	21.8
Other pension costs	21.7	18.2
Cost of employee share awards and options	11.3	5.2
Total employee costs	317.7	253.4
Average monthly number of persons employed by the Group during the year	3,206	2,942

Included within fees payable to the Company's auditors and its associates for audit-related assurance services is £0.2 million (2023: £0.2 million) for non-audit services as defined by the Group's policy on auditor independence.

The above employee costs information includes Directors' remuneration. Full details of the Directors' remuneration, share options, pension entitlements and interests in shares are disclosed in the Directors' remuneration report, and further information is also provided below.

All pension costs related to defined contribution schemes and cash supplements in lieu of contributions to defined contribution pension schemes. At 31 December 2024, the number of Directors to whom retirement benefits are accruing, including those receiving a cash supplement in lieu of contributions to defined contribution pension schemes, is two (2023: two), with the total cost being £0.1 million (2023: £0.2 million). Retirement benefits are accruing in defined contribution pension schemes for nil (2023: one) Director at the year-end.

The number of Directors who exercised options over shares in the Company during the year is nil (2023: nil). The number of Directors in respect of whose qualifying services shares were receivable under long-term incentive schemes is three (2023: two), and the total amount receivable by the Directors under long-term incentive schemes is £0.4 million (2023: £1.8 million). The aggregate gains made by Directors on the exercise of share options and the receipt of deferred bonus plan shares during the year was £nil (2023: £5.4 million).

Included within expenses is £13.0 million (2023: £472.1 million) in relation to complaint costs. See Note 18 for further information.

6. Investment return and movement in investment contract benefits

The majority of the business written by the Group is unit-linked investment business, and so investment contract benefits are measured by reference to the underlying net asset value of the Group's unitised investment funds. As a result, investment return on the unitised investment funds and the movement in investment contract benefits are linked.

Investment return

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
<i>Attributable to unit-linked investment contract benefits:</i>		
Rental income	60.8	69.9
Loss on revaluation of investment properties	(3.3)	(44.9)
Net investment return on financial instruments classified at fair value through profit and loss	15,594.6	13,013.4
	15,652.1	13,038.4
Income attributable to third-party holdings in unit trusts	7,036.4	3,092.5
Investment return on net assets held to cover unit liabilities	22,688.5	16,130.9
Net investment return on financial instruments classified at fair value through profit and loss	95.6	60.2
Net investment return on financial instruments held at amortised cost	1.2	6.5
Investment return on shareholder assets	96.8	66.7
Total investment return	22,785.3	16,197.6

Included in the net investment return on financial instruments classified as fair value through profit and loss, within investment return on net assets held to cover unit liabilities, is dividend income of £1,576.7 million (2023: £1,499.1 million).

Notes to the consolidated financial statements under International Financial Reporting Standards continued

6. Investment return and movement in investment contract benefits

continued

Movement in investment contract benefits

	2024	2023
	£'Million	£'Million
Balance at 1 January	123,149.8	106,964.7
Deposits	14,451.6	11,842.3
Withdrawals	(10,778.2)	(7,459.6)
Movement in unit-linked investment contract benefits	15,652.1	13,038.4
Fees and other adjustments	(1,436.5)	(1,236.0)
Balance at 31 December	141,038.8	123,149.8
Current	6,762.1	6,584.5
Non-current	134,276.7	116,565.3
	141,038.8	123,149.8
Movement in unit liabilities		
Unit-linked investment contract benefits	15,652.1	13,038.4
Third-party unit trust holdings	7,036.4	3,092.5
Movement in investment contract benefits in the consolidated statement of comprehensive income	22,688.5	16,130.9

See accounting policy (ai) for further information on the current and non-current disclosure.

7. Insurance revenue

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
<i>Amounts relating to changes in liabilities for remaining coverage</i>		
– Expected incurred claims and other insurance service expenses	23.2	23.3
– Change in risk adjustment for non-financial risk for risk expired	0.6	0.7
– CSM recognised for services provided	1.4	1.3
Total insurance revenue	25.2	25.3

8. Insurance service expenses

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
<i>Amounts relating to changes in liabilities for remaining coverage</i>		
– Incurred claims and other insurance service expenses	(21.8)	(24.5)
Total insurance services expenses	(21.8)	(24.5)

9. Finance income and finance costs

The following items are included within other finance income disclosed in the statement of comprehensive income:

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Interest received on cash and cash equivalents	15.5	17.8
Interest received on business loans to Partners	43.0	31.0
Finance income	58.5	48.8
Interest paid on external borrowings	(33.0)	(13.9)
Interest paid on lease liabilities	(3.2)	(3.4)
Other interest paid	(0.2)	–
Finance costs	(36.4)	(17.3)

Finance income represents the interest received on shareholder cash and cash equivalents and business loans to Partners. See Note 15 for further information on business loans to Partners.

Finance costs represent the cost of interest charges on the Group's external borrowings and the interest charge on the Group's lease liabilities.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

10. Income and deferred taxes

Tax for the year

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Current tax		
UK corporation tax		
– Current year charge	330.7	222.8
– Adjustment in respect of prior year	1.9	(0.5)
Overseas taxes		
– Current year charge	17.0	2.9
– Adjustment in respect of prior year	(0.3)	0.1
	349.3	225.3
Deferred tax		
Unrealised capital gains in unit-linked funds	261.6	243.4
Unrelieved expenses		
– Utilisation in the year	8.9	11.3
Capital losses		
– Utilisation in the year	–	2.2
– Adjustment in respect of prior year	–	(0.1)
DAC, DIR and PVIF	(5.3)	(7.8)
Share-based payments	(5.3)	8.1
Renewal income assets	(3.9)	(1.4)
Fixed asset timing differences	0.5	2.6
UK trading losses	40.8	(36.1)
Other items	3.8	1.8
Overseas losses	–	0.3
Transitional adjustment	3.4	–
Adjustment in respect of prior year	(3.1)	(0.1)
	301.4	224.2
Total tax charge for the year	650.7	449.5
Attributable to:		
– Policyholders	513.2	444.1
– Shareholders	137.5	5.4
	650.7	449.5

The prior year adjustment of £1.6 million charge in current tax on the left represents a £2.4 million charge in respect of policyholder tax (2023: £1.4 million credit) and a credit of £0.8 million in respect of shareholder tax (2023: £1.0 million charge). The prior year adjustment of £3.1 million credit in deferred tax on the left represents £0.1 million credit in respect of policyholder tax (2023: £nil) and a credit of £3.0 million in respect of shareholder tax (2023: £0.2 million credit).

In arriving at the profit before tax attributable to shareholders' returns, it is necessary to estimate the distribution of the total tax charge/(credit) between that payable in respect of policyholders and that payable by shareholders. Shareholder tax is estimated by making an assessment of the effective rate of tax that is applicable to the shareholders on the profits attributable to shareholders. This is calculated by applying the appropriate effective corporate tax rates to the shareholder profits. The remainder of the tax charge/(credit) represents tax on policyholders' investment returns. This calculation method is consistent with the legislation relating to the calculation of tax on shareholder profits.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

10. Income and deferred taxes continued

Reconciliation of tax charge to expected tax

	Year ended 31 December 2024		Year ended 31 December 2023	
	£'Million		£'Million	
Profit before tax	1,049.1		439.6	
Tax attributable to policyholders' returns	(513.2)		(444.1)	
Profit/(loss) before tax attributable to shareholders' returns	535.9		(4.5)	
Shareholder tax charge/(credit) at corporate tax rate of 25% (2023: 23.5%)	134.0	25%	(1.1)	23.5%
Adjustments:				
Lower rates of corporation tax in overseas subsidiaries	(1.2)	(0.2%)	(1.8)	39.4%
Expected shareholder tax	132.8	24.8%	(2.9)	62.9%
Effects of:				
Non-taxable income	(0.4)		(2.5)	
Adjustment in respect of prior year				
– Current tax	(0.8)		1.0	
– Deferred tax	(3.1)		(0.2)	
Differences in accounting and tax bases in relation to employee share schemes	(3.1)		0.3	
Impact of difference in tax rates between current and deferred tax	–		(2.3)	
Disallowable expenses	6.1		4.3	
Change in accounting base – Hong Kong	4.2		–	
Provision for future liabilities	(0.6)		5.1	
Tax losses not recognised	2.4		1.9	
Other	–		0.7	
	4.7	0.9%	8.3	(182.9%)
Shareholder tax charge	137.5	25.7%	5.4	(120.0%)
Policyholder tax charge	513.2		444.1	
Total tax charge for the year	650.7		449.5	

Tax calculated on profit before tax at 25.0% (2023: 23.5%) would amount to a charge of £262.3 million (2023: charge of £103.3 million). The difference of £388.4 million (2023: £346.2 million) between this number and the total tax charge of £650.7 million (2023: £449.5 million credit) is made up of the reconciling items above which total a charge of £3.5 million (2023: £6.5 million charge) and the effect of the apportionment methodology on tax applicable to policyholder returns of £384.9 million (2023: £339.7 million).

Tax paid in the year

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Current tax charge for the year (Payments to be made)/refunds due to be received in future years in respect of current year	349.3	225.3
Payments made/(refunds received) in current year in respect of prior years	(22.9)	1.7
Other	0.6	(39.7)
Tax paid	326.1	179.4
Tax paid can be analysed as:		
– Taxes paid in UK	252.4	156.4
– Taxes paid in overseas jurisdictions	5.9	6.2
– Withholding taxes suffered on investment income received	67.8	16.8
Total	326.1	179.4

Notes to the consolidated financial statements under International Financial Reporting Standards continued

10. Income and deferred taxes continued

Deferred tax balances

Deferred tax assets

	(Charge)/credit to the statement of comprehensive income					Expected utilisation period	
	As at 1 January 2024	Utilised and created in year	Total (charge)/credit	Impact of acquisitions	Reanalysis to deferred tax liabilities	As at 31 December 2024	As at 31 December 2024
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	
Deferred acquisition costs (DAC)	(18.6)	0.1	0.1	–	19.4	0.9	14 years
Deferred income (DIR)	35.1	(0.1)	(0.1)	–	(33.3)	1.7	14 years
Fixed asset temporary differences	1.3	–	–	–	(1.3)	–	6 years
Renewal income assets	(19.9)	–	–	–	19.9	–	20 years
Share-based payments	4.8	–	–	–	(4.8)	–	3 years
UK trading losses	36.1	(36.1)	(36.1)	–	–	–	–
Other temporary differences	(2.3)	–	–	–	2.4	0.1	–
Total	36.5	(36.1)	(36.1)	–	2.3	2.7	

	Credit/(charge) to the statement of comprehensive income					Expected utilisation period	
	As at 1 January 2023	Utilised and created in year	Total credit/(charge)	Impact of acquisitions	Reanalysis to deferred tax liabilities	As at 31 December 2023	As at 31 December 2023
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	
Deferred acquisition costs (DAC)	(20.4)	1.8	1.8	–	–	(18.6)	14 years
Deferred income (DIR)	37.7	(2.6)	(2.6)	–	–	35.1	14 years
Fixed asset temporary differences	3.9	(2.6)	(2.6)	–	–	1.3	6 years
Renewal income assets	(20.7)	1.5	1.5	(0.7)	–	(19.9)	20 years
Share-based payments	12.9	(8.1)	(8.1)	–	–	4.8	3 years
UK trading losses	–	36.1	36.1	–	–	36.1	1 years
Other temporary differences	(0.9)	(2.3)	(2.3)	0.9	–	(2.3)	–
Total	12.5	23.8	23.8	0.2	–	36.5	

Notes to the consolidated financial statements under International Financial Reporting Standards continued

10. Income and deferred taxes continued

Deferred tax liabilities

	Charge/(credit) to the statement of comprehensive income						Expected utilisation period	
	As at 1 January 2024	Utilised and created in year	Impact of tax rate change	Total charge/(credit)	Impact of acquisitions	Reanalysis from deferred tax assets	As at 31 December 2024	As at 31 December 2024
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	
Deferred acquisition costs (DAC)	12.3	(7.6)	–	(7.6)	–	19.4	24.1	14 years
Deferred income (DIR)	–	3.2	–	3.2	–	(33.3)	(30.1)	14 years
Purchased value of in-force business (PVIF)	2.0	(0.8)	–	(0.8)	–	–	1.2	2 years
Unrealised capital gains on life insurance (BLAGAB) assets backing unit liabilities	423.4	261.5	–	261.5	–	–	684.9	6 years
Unrelieved expenses on life insurance business	(26.2)	8.9	–	8.9	–	–	(17.3)	4 years
Fixed asset temporary differences	–	0.9	–	0.9	–	(1.3)	(0.4)	6 years
Renewal income assets	–	(2.5)	–	(2.5)	–	19.9	17.4	20 years
Share based payments	–	(5.3)	–	(5.3)	–	(4.8)	(10.1)	3 years
Transitional adjustment	–	3.4	–	3.4	–	1.6	5.0	4 years
Other temporary differences	0.2	3.6	–	3.6	0.1	0.8	4.7	
Total	411.7	265.3	–	265.3	0.1	2.3	679.4	

	Charge/(credit) to the statement of comprehensive income						Expected utilisation period	
	As at 1 January 2023	Utilised and created in year	Impact of tax rate change	Total charge/(credit)	Impact of acquisitions	Reanalysis from deferred tax assets	As at 31 December 2023	As at 31 December 2023
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	
Capital losses (available for future relief)	(2.1)	2.1	–	2.1	–	–	–	–
Deferred acquisition costs (DAC)	20.2	(7.9)	–	(7.9)	–	–	12.3	14 years
Purchased value of in-force business (PVIF)	2.8	(0.8)	–	(0.8)	–	–	2.0	2 years
Unrealised capital gains on life insurance (BLAGAB) assets backing unit liabilities	180.1	243.3	–	243.3	–	–	423.4	6 years
Unrelieved expenses on life insurance business	(37.5)	11.3	–	11.3	–	–	(26.2)	5 years
Other temporary differences	(0.6)	0.1	–	0.1	0.7	–	0.2	–
Total	162.9	248.1	–	248.1	0.7	–	411.7	

Notes to the consolidated financial statements under International Financial Reporting Standards continued

10. Income and deferred taxes continued

Appropriate investment income, gains or profits are expected to arise against which the tax assets can be utilised. Whilst the actual rates of utilisation will depend on business growth and external factors, particularly investment market conditions, they have been tested for sensitivity to experience and are resilient to a range of reasonably foreseeable scenarios.

At the reporting date there were unrecognised deferred tax assets of £19.4 million (2023: £17.3 million) in respect of £116.7 million (2023: £101.9 million) of losses in companies where appropriate profits are not considered probable in the forecast period. These losses primarily relate to the Group's Asia-based businesses and can be carried forward indefinitely.

Future tax changes

There are no relevant enacted future tax changes.

Changes in accounting base – Hong Kong

As of 1 July 2024, the Insurance Authority (IA) in Hong Kong has implemented the Risk-Based Capital (RBC) regime. The RBC regime introduces significant changes in the calculation of non-unit reserves and the Margin Over Current Estimate (MOCE) compared to the previous capital regime. As a result of aligning SJPIHK's taxable profit basis with the regulatory basis this gives rise in the year to a transitional tax liability, which under RBC rules will be run off through current tax over the next five years on a straight-line basis.

Pillar Two – global minimum tax

With effect from 1 January 2024 the SJP Group is subject to the global minimum tax rules introduced by the Organisation for Economic Co-operation and Development (OECD) and adopted into local legislation of various territories in which the SJP Group operates; including the UK and Ireland. The Group is subject to a domestic top-up tax in relation to its operations in Ireland, where the statutory corporate tax rate is 12.5%. This increases the effective tax rate for the SJP profits arising in Ireland to 15% and an adjustment of £0.1 million additional Irish tax has been posted in this respect. A Pillar Two adjustment is not required in any other location in which SJP operates.

11. Goodwill, intangible assets, deferred acquisition costs (DAC) and deferred income (DIR)

	Goodwill	Purchased value of in-force business	Computer software and other specific software developments	DAC	DIR
	£'Million	£'Million	£'Million	£'Million	£'Million
Cost					
At 1 January 2023	36.6	73.4	70.9	1,050.6	(1,635.0)
Additions	–	–	10.9	39.9	(106.6)
Disposals	–	–	(16.2)	(144.7)	105.3
At 31 December 2023	36.6	73.4	65.6	945.8	(1,636.3)
Additions	–	–	5.1	45.2	(115.1)
Disposals	–	–	–	(182.0)	153.0
At 31 December 2024	36.6	73.4	70.7	809.0	(1,598.4)
Accumulated amortisation and impairment					
At 1 January 2023	3.0	62.2	37.6	714.0	(1,104.6)
Charge for the year	–	3.2	15.4	72.1	(145.5)
Eliminated on disposal	–	–	(15.4)	(144.7)	105.3
At 31 December 2023	3.0	65.4	37.6	641.4	(1,144.8)
Charge for the year	10.3	3.2	22.4	63.4	(137.1)
Eliminated on disposal	–	–	–	(182.0)	153.0
At 31 December 2024	13.3	68.6	60.0	522.8	(1,128.9)
Carrying value					
At 1 January 2023	33.6	11.2	33.3	336.6	(530.4)
At 31 December 2023	33.6	8.0	28.0	304.4	(491.5)
At 31 December 2024	23.3	4.8	10.7	286.2	(469.5)
Current	–	3.2	4.1	52.8	(130.2)
Non-current	23.3	1.6	6.6	233.4	(339.3)
Outstanding amortisation period					
At 31 December 2023	N/A	2 years	5 years	14 years	6 to 14 years
At 31 December 2024	N/A	1 year	5 years	14 years	6 to 14 years

Notes to the consolidated financial statements under International Financial Reporting Standards continued

11. Goodwill, intangible assets, deferred acquisition costs (DAC) and deferred income (DIR) continued

Goodwill

Goodwill is reviewed at least annually for impairment, or when circumstances or events indicate there may be uncertainty over its value. The recoverable amount has been based on value-in-use calculations using pre-tax cash flows. Details of the assumptions made in these calculations are provided below:

Key assumptions based on experience:	Value of new business and expenses
Projection period:	Five years extrapolated into perpetuity/ten years
Pre-tax discount rate based on a risk-free rate plus a risk margin:	7.8% to 10.8% (2023: 6.8% to 9.8%)
Terminal growth rate:	1.9% (2023: 1.8%)

It is considered that no reasonably possible levels of change in the key assumptions would result in a material impairment of the goodwill.

Purchased value of in-force business/DAC/computer software

Amortisation is charged to expenses in the statement of comprehensive income. Amortisation profiles are reassessed annually.

DIR

Amortisation is credited within fee and commission income in the statement of comprehensive income. Amortisation profiles are reassessed annually.

12. Property and equipment, including leased assets

	Fixtures, fittings and office equipment £'Million	Computer equipment £'Million	Leased assets: properties £'Million	Total £'Million
Cost				
At 1 January 2023	56.2	8.6	168.0	232.8
Additions	9.7	1.5	24.4	35.6
Revaluations	–	–	(2.3)	(2.3)
Acquisition of subsidiary	0.3	0.1	0.3	0.7
Disposals	(2.3)	(0.2)	(9.5)	(12.0)
At 31 December 2023	63.9	10.0	180.9	254.8
Additions	2.8	0.8	4.8	8.4
Disposals	(2.3)	–	(12.4)	(14.7)
At 31 December 2024	64.4	10.8	173.3	248.5
Accumulated depreciation				
At 1 January 2023	27.6	5.9	53.6	87.1
Charge for the year	5.9	1.7	16.4	24.0
Acquisition of subsidiary	0.3	–	–	0.3
Eliminated on disposal	(2.0)	(0.1)	(7.6)	(9.7)
At 31 December 2023	31.8	7.5	62.4	101.7
Charge for the year	6.4	1.6	15.4	23.4
Eliminated on disposal	(2.2)	–	(8.4)	(10.6)
At 31 December 2024	36.0	9.1	69.4	114.5
Net book value				
At 1 January 2023	28.6	2.7	114.4	145.7
At 31 December 2023	32.1	2.5	118.5	153.1
At 31 December 2024	28.4	1.7	103.9	134.0
Depreciation period (estimated useful life)				
At 31 December 2023	5 to 15 years	3 years	1 to 17 years	
At 31 December 2024	5 to 15 years	3 years	1 to 17 years	

Notes to the consolidated financial statements under International Financial Reporting Standards continued

13. Leases

This note provides information on leases where the Group is a lessee. For information on leases where the Group is a lessor, refer to Note 14.

The Group's leasing activities and how these are accounted for

The Group leases a portfolio of office properties, equipment and vehicles. The exemptions available under IFRS 16 for low-value or short-term leases have been applied to all leased equipment and vehicles, and so the leased assets and lease liabilities on the consolidated statement of financial position, and the depreciation charge for leased assets and interest expense on lease liabilities in the consolidated statement of comprehensive income, relate to the Group's portfolio of office properties only.

Leases are negotiated on an individual basis and hence contain a variety of different terms and conditions. They contain covenants and restrictions but generally these are standard and to be expected in a modern, commercial lease created under open-market terms. Typical covenants include paying the annual rent, insurance premiums, service charge, rates and VAT and keeping the property in good repair and condition throughout the lease. Typical restrictions include permitting office use only and not transferring or assigning the lease to a third-party without the lessor's consent. There are no residual value guarantees.

The Group is exposed to variability in lease payments, as a number of leases include rent reviews during the lease term which are linked to an index or to market rates. In accordance with IFRS 16, these variable lease payments are initially measured based on the index or rate at the commencement date of the lease. Estimates of future rent changes are not made; these changes are taken into account in the lease liabilities and leased assets only when the lease payments change and so the variability is resolved. There are no variable lease payments which are not linked to an index or to market rates.

The Group has not entered into any sale and leaseback transactions.

Details regarding the accounting policies applied to leases are set out in Note 1: refer to policies (c)(ii) Lease expenses, (o) Property and equipment and (ab) Other payables.

Amounts recognised in the consolidated statement of financial position

The following amounts are recognised in the consolidated statement of financial position.

	31 December 2024	31 December 2023
	£'Million	£'Million
Within the property and equipment balance – refer to Note 12		
Leased assets: properties	103.9	118.5
Within the other payables balance – refer to Note 16		
Lease liabilities: properties	107.2	120.5

A movement schedule for leased assets, setting out additions during the year and depreciation charged, is presented in Note 12. A movement schedule for lease liabilities is presented on the right.

Amounts recognised in the consolidated statement of comprehensive income

The following amounts relating to leases are recognised within expenses in the consolidated statement of comprehensive income.

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Depreciation charge for leased assets: properties	15.4	16.4
Interest expense on lease liabilities: properties	3.2	3.4
Lease expense relating to short-term leases	0.3	0.4
Lease expense relating to low-value assets	2.3	2.1
Total lease expense for the year	21.2	22.3
Total cash outflow for leases during the year	17.2	17.6

Reconciliation of lease liabilities: properties

The following movement schedule reconciles the opening and closing lease liabilities relating to properties in the consolidated statement of financial position.

	2024	2023
	£'Million	£'Million
Balance at 1 January	120.5	116.6
Additions	4.4	19.1
Disposals	(3.7)	(1.0)
Interest charged	3.2	3.4
Lease payments made	(17.2)	(17.6)
Balance at 31 December	107.2	120.5

The principal lease payments disclosed in the table below link to the principal lease payments set out in the consolidated statement of cash flows as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Interest payments	3.2	3.4
Principal lease payments	14.0	14.2
Lease payments made	17.2	17.6

Notes to the consolidated financial statements under International Financial Reporting Standards continued

14. Financial investments, investment property and cash and cash equivalents

Financial investments

	31 December 2024	31 December 2023
	£'Million	£'Million
Equities	130,549.0	116,761.5
Fixed income securities	26,118.5	27,244.7
Investments in Collective Investment Schemes	25,652.7	13,967.5
Total financial investments	182,320.2	157,973.7

Net assets held to cover unit liabilities

Included within the statement of financial position are the following assets and liabilities making up the net assets held to cover unit liabilities. The assets held to cover unit liabilities are set out in Adjustment 1 of the IFRS to Solvency II Net Assets Balance Sheet reconciliation in section 2.2 of the financial review.

	31 December 2024	31 December 2023
	£'Million	£'Million
Assets		
Investment property	892.3	1,110.3
Equities	130,549.0	116,761.5
Fixed income securities	26,109.9	27,236.5
Investment in Collective Investment Schemes	23,458.4	12,513.1
Cash and cash equivalents	5,311.3	5,918.9
Other receivables	816.7	846.9
Derivative financial assets	2,812.8	3,420.6
Total assets	189,950.4	167,807.8
Liabilities		
Other payables	692.7	613.3
Derivative financial liabilities	3,052.1	3,073.0
Total liabilities	3,744.8	3,686.3
Net assets held to cover linked liabilities	186,205.6	164,121.5
Investment contract benefits	141,038.8	123,149.8
Net asset value attributable to unit holders	44,699.5	40,536.5
Unit-linked insurance contract liabilities	467.3	435.2
Net unit-linked liabilities	186,205.6	164,121.5

Net assets held to cover linked liabilities, and third-party holdings in unit trusts, are considered to have a maturity of up to one year since the corresponding unit liabilities are repayable and transferable on demand. See accounting policy (ai) for further information on current and non-current disclosure.

Investment property

	2024	2023
	£'Million	£'Million
Balance at 1 January	1,110.3	1,294.5
Capitalised expenditure on existing properties	15.8	10.1
Disposals	(230.5)	(149.4)
Changes in fair value	(3.3)	(44.9)
Balance at 31 December	892.3	1,110.3

The Group is the lessor for a portfolio of properties which meet the definition of investment property. The portfolio is held within unit-linked funds, leased out under operating leases, and is considered current. However, since investment properties are not traded in an organised public market they are relatively illiquid compared with many other asset classes. There are no restrictions on the realisability of the Group's individual properties, or on the remittance of income or disposal proceeds.

The Group follows various strategies to minimise the risks associated with any rights the Group retains in the investment properties. These strategies include:

- ♦ actively reviewing and monitoring the condition of the properties and undertaking appropriate repairs, capital works projects and investments
- ♦ engaging professional legal advisers in drafting prudent lease terms governing the use of the properties and engaging specialist asset managers to oversee adherence to these terms on an ongoing basis
- ♦ actively reviewing and monitoring lessee financial covenant positions
- ♦ maintaining appropriate and prudent insurance for the properties
- ♦ senior management regularly reviewing the investment property portfolio to oversee diversification and performance, and to maximise value and occupancy rates.

Investment property is valued at least monthly by external chartered surveyors in accordance with the guidance issued by the Royal Institution of Chartered Surveyors. The investment property valuation has been prepared using the 'market approach' valuation technique: that is, using prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets.

The historical cost of investment properties held at 31 December 2024 is £987.4 million (2023: £1,297.4 million). This represents the price paid for investment properties, prior to any subsequent revaluation.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

14. Financial investments, investment property and cash and cash equivalents continued

The rental income and direct operating expenses recognised in the consolidated statement of comprehensive income in respect of investment properties are set out below. All expenses relate to property generating rental income.

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Rental income	60.8	69.9
Direct operating expenses	9.5	5.0

At the year-end contractual obligations to purchase, construct or develop investment property amounted to £6.4 million (2023: £13.4 million). The most significant contractual obligation at 31 December 2024 was for refurbishment of a building in Manchester totalling £2.7 million (2023: £9.5 million).

Contractual obligations to dispose of investment property amounted to £28.0 million (2023: £nil).

A maturity analysis of undiscounted contractual rental income to be received on an annual basis for the next five years, and the total to be received thereafter, is set out below.

	31 December 2024	31 December 2023
	£'Million	£'Million
Undiscounted contractual rental income to be received in:		
Year 1	45.7	64.6
Year 2	42.6	58.2
Year 3	38.3	52.3
Year 4	33.8	47.2
Year 5	29.9	41.8
Year 6 onwards	156.2	235.6
Total undiscounted contractual rental income to be received	346.5	499.7

Cash and cash equivalents

	31 December 2024	31 December 2023
	£'Million	£'Million
Cash and cash equivalents not held to cover unit liabilities	352.6	285.4
Balances held to cover unit liabilities	5,311.3	5,918.9
Total cash and cash equivalents	5,663.9	6,204.3

All cash and cash equivalents are considered current.

15. Other receivables

	31 December 2024	31 December 2023
	£'Million	£'Million
Receivables in relation to unit liabilities excluding policyholder interests	656.4	956.0
Other receivables in relation to life and unit trust business	55.9	151.9
Operational readiness prepayment	256.3	283.5
Advanced payments to Partners	137.4	127.4
Other prepayments and accrued income	37.8	37.9
Business loans to Partners	557.3	408.0
Renewal income assets	121.0	138.3
Miscellaneous	45.3	44.3
Total other receivables on the Solvency II Net Assets Balance Sheet	1,867.4	2,147.3
Policyholder interests in other receivables (see Note 14)	816.7	846.9
Other	3.3	3.2
Total other receivables	2,687.4	2,997.4
Current	1,781.3	2,243.8
Non-current	906.1	753.6
	2,687.4	2,997.4

All items within other receivables meet the definition of financial assets with the exception of prepayments and advanced payments to Partners. The fair value of those financial assets held at amortised cost is not materially different from amortised cost.

Receivables in relation to unit liabilities relate to outstanding market trade settlements (sales) in the life unit-linked funds and the consolidated unit trusts. Other receivables in relation to insurance and unit trust business primarily relate to outstanding policy-related settlement timings. Both of these categories of receivables are short-term.

The operational readiness prepayment consists of directly invoiced operational readiness costs advanced and relates to the Bluedoor administration platform which has been developed by our key outsourced back-office administration provider. Management has assessed the recoverability of this prepayment against the expected cost saving benefit of lower future tariff costs arising from the platform. It is believed that no reasonably possible change in the assumptions applied within this assessment, notably levels of future business, the anticipated future service tariffs and the discount rate, would have an impact on the carrying value of the asset.

Renewal income assets represent the present value of future cash flows associated with business combinations or books of business acquired by the Group.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

15. Other receivables continued

Business loans to Partners

	31 December 2024	31 December 2023
	£'Million	£'Million
Business loans to Partners directly funded by the Group	386.6	340.8
Securitised business loans to Partners	170.7	67.2
Total business loans to Partners	557.3	408.0

Business loans to Partners are interest-bearing (linked to Bank of England base rate plus a margin), repayable in line with the terms of the loan contract and secured against the future income streams of the respective Partners.

Reconciliation of the business loans to Partners' opening and closing gross loan balances

	Stage 1: performing	Stage 2: under- performing	Stage 3: non- performing	Total
	£'Million	£'Million	£'Million	£'Million
Gross balance at 1 January 2024	359.7	44.6	8.5	412.8
Business loans to Partners classification changes:				
– Transfer to underperforming	(19.0)	19.0	–	–
– Transfer to non-performing	(21.0)	(2.5)	23.5	–
– Transfer to performing	16.5	(16.4)	(0.1)	–
New lending activity during the year	215.0	7.8	2.6	225.4
Interest charged during the year	37.4	3.6	2.0	43.0
Repayment activity during the year	(104.4)	(7.6)	(3.4)	(115.4)
Gross balance at 31 December 2024	484.2	48.5	33.1	565.8

	Stage 1: performing	Stage 2: under- performing	Stage 3: non- performing	Total
	£'Million	£'Million	£'Million	£'Million
Gross balance at 1 January 2023	297.1	17.7	4.6	319.4
Business loans to Partners classification changes:				
– Transfer to underperforming	(11.9)	11.9	–	–
– Transfer to non-performing	(3.2)	(0.2)	3.4	–
– Transfer to performing	4.2	(3.5)	(0.7)	–
New lending activity during the year	195.0	16.9	0.7	212.6
Interest charged during the year	26.2	3.1	0.8	30.1
Repayment activity during the year	(147.7)	(1.3)	(0.3)	(149.3)
Gross balance at 31 December 2023	359.7	44.6	8.5	412.8

Business loans to Partners: provision

The expected loss impairment model for business loans to Partners is based on the levels of loss experienced in the portfolio, with due consideration given to forward-looking information. For those business loans to Partners sold to a third-party in 2022, full credit risk was transferred.

The provision held against business loans to Partners as at 31 December 2024 was £8.5 million (2023: £4.8 million). During the year, £1.1 million of the provision was released (2023: £0.2 million), £3.1 million was utilised (2023: £3.4 million) and new provisions and adjustments to existing provisions increased the total by £7.9 million (2023: £4.6 million).

There is no provision held against any other receivables held at amortised cost.

Business loans to Partners as recognised on the statement of financial position

	31 December 2024	31 December 2023
	£'Million	£'Million
Gross business loans to Partners	565.8	412.8
Provision	(8.5)	(4.8)
Net business loans to Partners	557.3	408.0

Renewal income assets

Movement in renewal income assets

	2024	2023
	£'Million	£'Million
Balance at 1 January	138.3	115.5
Additions	4.8	32.0
Disposals	(0.7)	(2.1)
Revaluation	(21.4)	(7.1)
Balance at 31 December	121.0	138.3

The key assumptions used for the assessment of the fair value of the renewal income are as follows:

	31 December 2024	31 December 2023
Lapse rate – SJP Partner renewal income ¹	5.0% to 15.0%	5.0% to 15.0%
Lapse rate – non-SJP renewal income ¹	6.5% to 25.0%	6.5% to 25.0%
Discount rate	15.8%	11.8%

¹ Future income streams are projected making use of retention assumptions derived from the Group's experience of the business or, where insufficient data exists, from external industry experience. These assumptions are reviewed on an annual basis.

These assumptions have been used for the analysis of each business combination classified within renewal income.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

16. Other payables

	31 December 2024	31 December 2023
	£'Million	£'Million
Payables in relation to unit liabilities excluding policyholder interests	216.7	437.1
Other payables in relation to life and unit trust business	590.4	738.6
Accrual for ongoing advice fees	168.9	150.0
Other accruals	138.5	101.1
Contract payment	72.2	84.2
Lease liabilities: properties (see Note 13)	107.2	120.5
Other payables in relation to Partner payments	88.9	75.1
Miscellaneous	62.6	50.4
Total other payables on the Solvency II Net Assets Balance Sheet	1,445.4	1,757.0
Policyholder interests in other payables (see Note 14)	692.7	613.3
Other (see adjustment 2 on page 24)	6.2	17.8
Total other payables	2,144.3	2,388.1
Current	1,992.5	2,212.9
Non-current	151.8	175.2
	2,144.3	2,388.1

Payables in relation to unit liabilities relate to outstanding market trade settlements (purchases) in the life unit-linked funds and the consolidated unit trusts. Other payables in relation to insurance and unit trust business primarily relate to outstanding policy-related settlement timings. Both of these categories of payables are short-term.

The contract payment of £72.2 million (2023: £84.2 million) represents payments made by a third-party service provider to the Group as part of a service agreement, which are non-interest-bearing and repayable over the life of the service agreement. The contract payment received prior to 2020 is repayable on a straight-line basis over the original 12-year term, with repayments commencing on 1 January 2017. The contract payment received in 2020 is repayable on a straight-line basis over 13 years and 4 months, with repayments commencing on 1 September 2020.

The lease liabilities: properties line item represents the present value of future cash flows associated with the Group's portfolio of property leases.

The fair value of financial instruments held at amortised cost within other payables is not materially different from amortised cost.

Policyholder interests in other payables are short-term in nature and can vary significantly from period to period due to prevailing market conditions and underlying trading activity.

17. Insurance contract liabilities and reinsurance assets

Risk

Insurance risk arises from inherent uncertainties as to the occurrence, amount and timing of insurance liabilities. The Group assumes insurance risk by issuing insurance contracts under which the Group agrees to compensate the client (or other beneficiary) if a specified future event (the insured event) occurs. The Group insures mortality and morbidity risks but has no longevity risk as we have never written any annuity business. The Group has a low appetite for insurance risk, only actively pursuing it where financially beneficial, or in support of strategic objectives.

Risk	Description	Management
Underwriting	Failure to price appropriately for a risk, or the impact of anti-selection.	The Group ceased writing new protection business in April 2011 and the remaining UK insurance risk is substantially covered by quota share reinsurance with a low level of retention. Experience is monitored regularly and for most business the premium or deduction rates can be reviewed.
Epidemic/ disaster	An unusually large number of claims arising from a single incident or event.	Protection is provided through reinsurance. The Group has fully reinsured the UK insurance risk.
Expense	Administration costs exceed expense allowance.	Administration is outsourced and a tariff of costs is agreed. The contract is monitored regularly to rationalise costs incurred. Internal overhead expenses are monitored and closely managed.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

17. Insurance contract liabilities and reinsurance assets continued

Insurance contract liabilities

Reconciliation of the liability for remaining coverage and the liability for incurred claims

	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component		
	£'Million	£'Million	£'Million	£'Million
Balance at 1 January 2024	477.8	–	18.2	496.0
Insurance revenue	(25.2)	–	–	(25.2)
Insurance service expenses	–	–	21.8	21.8
Finance income from insurance contracts recognised in profit or loss	(2.1)	–	–	(2.1)
Total changes in the statement of comprehensive income	(27.3)	–	21.8	(5.5)
Investment components excluded from insurance revenue and insurance service expenses	25.0	–	46.0	71.0
Premiums received	28.8	–	–	28.8
Claims and other insurance service expenses paid	–	–	(71.7)	(71.7)
Total cash flows	28.8	–	(71.7)	(42.9)
Balance at 31 December 2024	504.3	–	14.3	518.6
Current				77.8
Non-current				440.8
				518.6

	Liability for remaining coverage		Liability for incurred claims ^{1,2}	Total ^{1,2}
	Excluding loss component ^{1,2}	Loss component		
	£'Million	£'Million	£'Million	£'Million
Balance at 1 January 2023	452.6	–	17.9	470.5
Insurance revenue	(25.3)	–	–	(25.3)
Insurance service expenses ¹	–	–	24.5	24.5
Finance expense from insurance contracts recognised in profit or loss	2.8	–	–	2.8
Total changes in the statement of comprehensive income	(22.5)	–	24.5	2.0
Investment components excluded from insurance revenue and insurance service expenses ²	16.4	–	33.0	49.4
Premiums received ²	31.3	–	–	31.3
Claims and other insurance service expenses paid ²	–	–	(57.2)	(57.2)
Total cash flows	31.3	–	(57.2)	(25.9)
Balance at 31 December 2023	477.8	–	18.2	496.0
Current				84.0
Non-current				412.0
				496.0

1 Restated to reclassify £24.5 million Insurance service expenses from Liability for remaining coverage (LRC) excluding loss component to Liability for incurred claims (LIC), to better reflect the nature of the item.

2 Restated to better reflect the nature of the item resulting in: Investment components excluded from insurance revenue and insurance service expenses £3.6 million negative in LRC excluding loss component to £16.4 million positive; Investment components excluded from insurance revenue and insurance service expenses £nil in LIC to a £33.0 million positive; Premiums received £31.3 million negative to £31.3 million positive; Claims and other insurance service expenses paid £58.1 million positive to £nil in LRC excluding loss component; Claims and other insurance service expenses paid £0.3 million positive LIC to £57.2 million negative.

All of the above resulted in a net nil impact on profit and net assets for the year.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

17. Insurance contract liabilities and reinsurance assets continued

Reconciliation of the measurement components

	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	£'Million	£'Million	£'Million	£'Million
Balance at 1 January 2024	463.0	6.0	8.8	477.8
Insurance service result	(26.1)	(1.1)	2.0	(25.2)
Finance income from insurance contracts recognised in profit or loss	(1.9)	(0.3)	0.1	(2.1)
Total changes in the statement of comprehensive income	(28.0)	(1.4)	2.1	(27.3)
Investment components excluded from insurance revenue and insurance service expenses	25.0	–	–	25.0
Premiums received	28.8	–	–	28.8
Total cash flows	28.8	–	–	28.8
Balance at 31 December 2024	488.8	4.6	10.9	504.3

	Estimates of present value of future cash flows ^{1,2}	Risk adjustment for non-financial risk	CSM	Total ^{1,2}
	£'Million	£'Million	£'Million	£'Million
Balance at 1 January 2023	439.0	5.8	7.8	452.6
Insurance service result ¹	(26.4)	0.1	1.0	(25.3)
Finance expense from insurance contracts recognised in profit or loss	2.7	0.1	–	2.8
Total changes in the statement of comprehensive income	(23.7)	0.2	1.0	(22.5)
Investment components excluded from insurance revenue and insurance service expenses ²	16.4	–	–	16.4
Premiums received ²	31.3	–	–	31.3
Claims and other insurance service expenses paid ²	–	–	–	–
Total cash flows	31.3	–	–	31.3
Balance at 31 December 2023	463.0	6.0	8.8	477.8

1 Restated to better reflect the nature of the item resulting in: Insurance service result £1.9 million negative in Estimates of present value of future cash flows to £26.4 million negative.

2 Restated to better reflect the nature of the item resulting in: Investment components excluded from insurance revenue and insurance service expenses £3.6 million negative in Estimates of present value of future cash flows to £16.4 million positive; Premiums received £31.3 million negative to £31.3 million positive; Claims and other insurance service expenses paid £58.1 million positive to £nil in Estimates of present value of future cash flows.

All of the above resulted in a net nil impact on profit and net assets for the year.

Insurance contract liabilities – contractual service margin (CSM)

	31 December 2024	31 December 2023
	£'Million	£'Million
Less than 1 year	0.6	0.7
In 2 to 5 years	1.8	1.7
>5 years	8.5	6.4
Total CSM for insurance contracts	10.9	8.8

The analysis above shows the expected recognition of the CSM remaining at the end of the reporting year.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

17. Insurance contract liabilities and reinsurance assets continued

Reinsurance assets

Reconciliation of the remaining coverage and incurred claims components

	Remaining coverage component	Recoverable for claims reinsured	Total
	£'Million	£'Million	£'Million
Balance at 1 January 2024	6.3	6.7	13.0
Net reinsurance expense	(22.6)	19.5	(3.1)
Finance income from reinsurance contracts recognised in profit or loss	0.5	–	0.5
Total changes in the statement of comprehensive income	(22.1)	19.5	(2.6)
Premiums paid	19.9	–	19.9
Amounts received from reinsurers relating to incurred claims	–	(15.4)	(15.4)
Total cash flows	19.9	(15.4)	4.5
Balance at 31 December 2024	4.1	10.8	14.9
Current			10.2
Non-current			4.7
			14.9

	Remaining coverage component ^{1,2}	Recoverable for claims reinsured ²	Total ^{1,2}
	£'Million	£'Million	£'Million
Balance at 1 January 2023	49.0	5.6	54.6
Net reinsurance expense ¹	(15.7)	10.7	(5.0)
Finance expenses from reinsurance contracts recognised in profit or loss	(7.2)	–	(7.2)
Total changes in the statement of comprehensive income	(22.9)	10.7	(12.2)
Premiums paid	21.7	–	21.7
Reinsurance recapture	(41.5)	–	(41.5)
Amounts received from reinsurers relating to incurred claims ²	–	(9.6)	(9.6)
Total cash flows	(19.8)	(9.6)	(29.4)
Balance at 31 December 2023	6.3	6.7	13.0
Current			6.7
Non-current			6.3
			13.0

1 Restated to better reflect the nature of the item resulting in: Net reinsurance expense £5.0 million negative in Remaining coverage component to £15.7 million negative; Net reinsurance expense £nil in Recoverable for claims reinsured to £10.7 million positive.

2 Restated to better reflect the nature of the item resulting in: Amounts received from reinsurers relating to incurred claims £10.7 million negative in Remaining coverage component to £nil; Amounts received from reinsurers relating to incurred claims £1.1 million positive in Recoverable for claims reinsured to £9.6 million negative.

All of the above resulted in a net nil impact on profit and net assets for the year.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

17. Insurance contract liabilities and reinsurance assets continued

Reconciliation of the measurement components

	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
	£'Million	£'Million	£'Million	£'Million
Balance at 1 January 2024	–	1.1	5.2	6.3
Net reinsurance expense	(22.3)	(0.3)	–	(22.6)
Finance income from reinsurance contracts recognised in profit or loss	0.6	(0.1)	–	0.5
Total changes in the statement of comprehensive income	(21.7)	(0.4)	–	(22.1)
Premiums paid	19.9	–	–	19.9
Total cash flows	19.9	–	–	19.9
Balance at 31 December 2024	(1.8)	0.7	5.2	4.1

	Estimates of present value of future cash flows ^{1,2}	Risk adjustment for non-financial risk	CSM	Total ^{1,2}
	£'Million	£'Million	£'Million	£'Million
Balance at 1 January 2023	35.7	5.1	8.2	49.0
Net reinsurance expense ¹	(15.4)	(0.5)	0.2	(15.7)
Finance expenses from reinsurance contracts recognised in profit or loss	(0.5)	(3.5)	(3.2)	(7.2)
Total changes in the statement of comprehensive income	(15.9)	(4.0)	(3.0)	(22.9)
Premiums paid	21.7	–	–	21.7
Reinsurance recapture	(41.5)	–	–	(41.5)
Amounts received from reinsurers relating to incurred claims ²	–	–	–	–
Total cash flows	(19.8)	–	–	(19.8)
Balance at 31 December 2023	–	1.1	5.2	6.3

1 Restated to better reflect the nature of the item resulting in: Net reinsurance expense £4.7 million negative in Estimates of present value of future cash flows to £15.4 million negative.

2 Restated to better reflect the nature of the item resulting in: Amounts received from reinsurers relating to incurred claims £10.7 million negative in Estimates of present value of future cash flows to £nil.

All of the above resulted in a net nil impact on profit and net assets for the year.

All reinsurance contracts are measured using the fair value approach.

Reinsurance assets – Contractual service margin (CSM)

	31 December 2024	31 December 2023
	£'Million	£'Million
Less than 1 year	0.1	0.1
In 2 to 5 years	0.6	0.6
>5 years	4.5	4.5
Total CSM for reinsurance contracts	5.2	5.2

The analysis above shows the expected recognition of the CSM remaining at the end of the reporting year.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

17. Insurance contract liabilities and reinsurance assets continued

Assumptions used in the calculation of insurance contract liabilities and reinsurance assets

The principal assumptions used in the calculation of insurance contract liabilities and reinsurance assets are:

Assumption	Description											
Interest rate	The valuation interest rate is calculated by reference to the long-term risk-free swap rate at the balance sheet date. The specific rates used are between 3.4% and 4.5% depending on the tax regime (2023: 2.9% and 4.7%).											
Mortality	Mortality is based on Group experience and is set at 65% of the TM/F92 tables with an additional loading for smokers.											
Morbidity – critical illness	Morbidity is based on Group experience. There has been no change during 2024. Sample annual rates per £ for a male non-smoker are: <table border="1" style="width: 100%; margin-top: 5px;"> <thead> <tr> <th>Age</th><th>Rate</th></tr> </thead> <tbody> <tr> <td>25</td><td>0.063%</td></tr> <tr> <td>35</td><td>0.111%</td></tr> <tr> <td>45</td><td>0.266%</td></tr> </tbody> </table>	Age	Rate	25	0.063%	35	0.111%	45	0.266%			
Age	Rate											
25	0.063%											
35	0.111%											
45	0.266%											
Morbidity – permanent health insurance	Morbidity is based on Group experience. There has been no change during 2024. Sample annual rates per £ income benefit for a male non-smoker are: <table border="1" style="width: 100%; margin-top: 5px;"> <thead> <tr> <th>Age</th><th>Rate</th></tr> </thead> <tbody> <tr> <td>25</td><td>0.228%</td></tr> <tr> <td>35</td><td>0.603%</td></tr> <tr> <td>45</td><td>1.308%</td></tr> </tbody> </table>	Age	Rate	25	0.228%	35	0.603%	45	1.308%			
Age	Rate											
25	0.228%											
35	0.603%											
45	1.308%											
Expenses	Contract liabilities are calculated allowing for the actual costs of administration of the business. <table border="1" style="width: 100%; margin-top: 5px;"> <thead> <tr> <th rowspan="2">Product</th><th colspan="2">Annual cost</th></tr> <tr> <th>31 December 2024</th><th>31 December 2023</th></tr> </thead> <tbody> <tr> <td>Onshore protection business</td><td>£35.69</td><td>£35.11</td></tr> <tr> <td>Offshore protection business</td><td>£71.76</td><td>£69.72</td></tr> </tbody> </table>	Product	Annual cost		31 December 2024	31 December 2023	Onshore protection business	£35.69	£35.11	Offshore protection business	£71.76	£69.72
Product	Annual cost											
	31 December 2024	31 December 2023										
Onshore protection business	£35.69	£35.11										
Offshore protection business	£71.76	£69.72										
Persistency	Allowance is made for a best-estimate level of lapses within the calculation of the liabilities. There has been no change in rates during 2024. Sample annual lapse rates are: <table border="1" style="width: 100%; margin-top: 5px;"> <thead> <tr> <th rowspan="2">Product</th><th>Lapse</th></tr> <tr> <th>All durations</th></tr> </thead> <tbody> <tr> <td>Onshore protection business</td><td>9%</td></tr> <tr> <td>Offshore whole of life</td><td>8%</td></tr> <tr> <td>Offshore critical illness</td><td>13%</td></tr> </tbody> </table>	Product	Lapse	All durations	Onshore protection business	9%	Offshore whole of life	8%	Offshore critical illness	13%		
Product	Lapse											
	All durations											
Onshore protection business	9%											
Offshore whole of life	8%											
Offshore critical illness	13%											
Risk adjustment	The risk adjustment is determined using a cost of capital approach with a 3% charge. There has been no change during 2024.											

Sensitivity analysis

The table below sets out the sensitivity of the profit on insurance business and net assets to changes in key assumptions. The levels of sensitivity tested are consistent with those proposed in the EEV principles and reflect reasonable possible levels of change in the assumptions. The analysis reflects the change in the variable/assumption shown while all other variables/assumptions are left unchanged. In practice variables/assumptions may change at the same time, as some may be correlated (for example, an increase in interest rates may also result in an increase in expenses if the increase reflects higher inflation). It should also be noted that in some instances sensitivities are non-linear. The sensitivity percentage has been applied in proportion to the assumption: for example, application of a 10% sensitivity to a withdrawal assumption of 8% will increase it to 8.8%.

Sensitivity analysis	Change in assumption	Change in profit before tax 2024	Change in profit before tax 2023	Change in net assets 2024	Change in net assets 2023
	Percentage	£'Million	£'Million	£'Million	£'Million
Interest rates	(1%)	(5.5)	(6.5)	(4.2)	(5.0)
Mortality/morbidity	10%	(0.9)	(1.5)	(0.6)	(1.1)

A change in withdrawal rates and expense assumptions will have no material impact on insurance profit or net assets.

18. Other provisions and contingent liabilities

	Complaints provision	Ongoing Service Evidence provision	Lease provision	Clawback provision	Total provisions
	£'Million	£'Million	£'Million	£'Million	£'Million
At 1 January 2023	29.7	–	13.3	3.0	46.0
Additional provisions	61.8	426.0	2.6	0.1	490.5
Utilised during the year	(21.0)	–	(0.8)	–	(21.8)
Release of provision	(14.4)	–	(0.2)	–	(14.6)
At 31 December 2023	56.1	426.0	14.9	3.1	500.1
Additional provisions	21.8	–	0.3	0.3	22.4
Utilised during the year	(24.9)	(18.5)	(0.1)	–	(43.5)
Impact of discounting	–	17.6	–	–	17.6
Release of provision	(35.3)	–	(1.0)	–	(36.3)
At 31 December 2024	17.7	425.1	14.1	3.4	460.3

Other provisions

Complaints provision

The provision represents the best estimate of the complaint redress, based on complaints identified, an assessment of the proportion redressed; and an estimated cost of redress based on historic experience. A reasonably possible change of 10% in the key assumption, being the proportion requiring redress, would result in an increase/decrease of circa £1.4 million to the total complaints provision.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

18. Other provisions and contingent liabilities continued

Ongoing Service Evidence provision

During 2023 the Group experienced elevated levels of complaints in connection with the delivery of historic ongoing advice services.

Given the claims experience, a skilled person was engaged to undertake an initial assessment of a statistically credible representative cohort of clients to explore whether issues raised by the complaints were replicated across the wider client base. Following the assessment, the Group committed to review the sub-population of clients that has been charged for ongoing servicing since the start of 2018 but where the evidence of delivery falls below the acceptable standard. Where the standard of evidence is deemed by the Group to be marginal the Group will invite clients to join the review (the 'Opt-In population'), but where the standard of evidence is deemed to be poor the Group will include clients in the review unless instructed otherwise (the 'Opt-Out population').

The provision that has been recognised includes an estimated refund of charges, together with interest at FOS rates, plus the administration costs associated with completing this work. Allowance is also made for discounting over the expected duration of the exercise.

A provision of £426.0 million was recognised at 31 December 2023 with the best estimate assessment based on extrapolation of the experience of the statistically credible representative cohort of clients.

IAS 37 and IAS 1 requires the Group to set out sensitivities. In compliance with these requirements, the following table sets out the potential change to the provision balance at 31 December 2024 and 31 December 2023 if the key assumptions were to vary as described:

Sensitivity analysis	Change in assumption Percentage	Change in profit/(loss) before tax	
		Favourable changes £*Million	Unfavourable changes £*Million
Extrapolation from a representative cohort			
– Variation in proportion of client population subject to the review	2%	22.0	(22.0)
Extrapolation from a representative cohort			
– Variation in the level of charges, subject to refund	10%	31.0	(31.0)
Opt-In response rate			
– Variation in response rate	10%	17.0	(17.0)
Administration costs			
– Change in estimation of the cost to fulfil the exercise (cost per claim)	10%	12.0	(12.0)

It is estimated that significantly all the provision will be utilised over a one-to-two-year period from the reporting date.

Lease provision

The lease provision represents the value of expected future costs of reinstating leased property to its original condition at the end of the lease term. The estimate is based on the square footage of leased properties and typical costs per square foot of restoring similar buildings to their original state. The Group expects £1.3 million (2023: £1.5 million) of the provision to be utilised within one year. The majority of the provision relates to leased property with a maturity date of greater than five years.

Clawback provision

The clawback provision represents amounts due to third parties less amounts recovered from Partners. The provision is based on estimates of the indemnity commission that may be repaid. The Group expects to utilise the provision on a straight-line basis over four years.

With the exception of the Complaint and Ongoing Service Evidence provisions, it is considered that no reasonably possible level of changes in estimates would have a material impact on the value of the best estimate of the provisions.

Contingent liabilities

Complaints and disputes

The Group is committed to achieving good client outcomes but does, in the normal course of business receive complaints and claims. Also, and as described in the strategic report, the FCA continues to reinforce the need for firms to embed the Consumer Duty regulation and there remains a risk that we fail to provide quality suitable advice to clients, or that we fail to evidence the provision of good quality service and advice, which could result in regulatory sanction and/or a need to refund or compensate clients.

The costs, including legal costs, of these issues as they arise can be significant and where appropriate, provisions have been established in accordance with IAS 37.

Guarantees

During the normal course of business, the Group may from time to time provide guarantees to Partners, clients or other third parties. However, based upon the information currently available to them, the Directors do not believe there are any guarantees which would have a material adverse effect on the Group's financial position, and so the fair value of any guarantees has been assessed as £nil (2023: £nil).

For further information, see the list of principal risks and uncertainties in the risk and control management section of the strategic report.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

19. Borrowings and financial commitments

Borrowings

Borrowings are a liability arising from financing activities. The Group has two different types of borrowings:

- ♦ senior unsecured corporate borrowings which are used to manage working capital, bridge intra-Group cash flows and fund investment in the business
- ♦ securitisation loan notes which are secured only on a legally segregated pool of the Group's business loans to Partners, and hence are non-recourse to the Group's other assets. Further information about business loans to Partners is provided in Note 15.

Senior unsecured corporate borrowings

	31 December 2024	31 December 2023
	£'Million	£'Million
Corporate borrowings: bank loans	250.0	50.0
Corporate borrowings: loan notes	138.3	151.1
Senior unsecured corporate borrowings	388.3	201.1

The primary senior unsecured corporate borrowings are:

- ♦ An undrawn revolving credit facility (RCF) of £345.0 million which is repayable at maturity in 2028 with variable interest rates. At 31 December 2024 the undrawn credit available under this facility was £345.0 million (2023: £295.0 million).
- ♦ A fully drawn £250.0 million bridging facility, which is repayable at maturity in 2026 or sooner at the discretion of the Company with due notice, with variable interest rates.
- ♦ A Note Purchase Agreement for £38.3 million. The notes are repayable in three equal instalments before maturity in 2027, with variable interest rates.
- ♦ A Note Purchase Agreement for £100.0 million. The notes are repayable at maturity in 2031, with variable interest rates.

On 13 February 2025 the Group made an irrevocable commitment to repay all of the fully drawn £250.0 million bridging loan. The repayment is due on 27 February 2025.

The combined drawn carrying value of the senior unsecured corporate borrowings as at 31 December 2024 is £388.3 million (2023: £201.1 million). The Group is required to comply with financial covenants that are linked to (i) balance sheet leverage, (ii) total FUM, (iii) a minimum level of net assets; and (iv) our Solvency II ratio at the end of each annual and interim reporting period. The Group has complied with these covenants throughout the reporting period. There are no indications that the Group would have difficulties complying with the covenants when they will be next tested at 30 June 2025.

Total borrowings

	31 December 2024	31 December 2023
	£'Million	£'Million
Senior unsecured corporate borrowings	388.3	201.1
Senior tranche of non-recourse securitisation loan notes	128.5	50.3
Total borrowings	516.8	251.4
Current	41.3	62.0
Non-current	475.5	189.4
	516.8	251.4

The senior tranche of securitisation loan notes are repayable over the expected life of the securitisation (estimated to be five years) with a variable interest rate. They are held by third-party investors and secured on a legally segregated portfolio of business loans to Partners, and on the other net assets of the securitisation entity SJP Partner Loans No.1 Limited. Holders of the securitisation loan notes have no recourse to the assets held by any other entity within the Group. For further information on business loans to Partners, including the sale of securitised business loans to Partners during the year, refer to Note 15.

In addition to the senior tranche of securitisation loan notes, a junior tranche has been issued to another entity within the Group. The junior notes were eliminated on consolidation in the preparation of the Group financial statements and so do not form part of Group borrowings.

	31 December 2024	31 December 2023
	£'Million	£'Million
Junior tranche of non-recourse securitisation loan notes	48.2	20.9
Senior tranche of non-recourse securitisation loan notes	128.5	50.3
Total non-recourse securitisation loan notes	176.7	71.2
Backed by		
Securitised business loans to Partners (see Note 15)	170.7	67.2
Other net assets of SJP Partner Loans No.1 Limited	6.0	4.0
Total net assets held by SJP Partner Loans No.1 Limited	176.7	71.2

Notes to the consolidated financial statements under International Financial Reporting Standards continued

19. Borrowings and financial commitments continued

Movement in borrowings

Borrowings are liabilities arising from financing activities. The cash and non-cash movements in borrowings over the year are set out below, with the cash movements also set out in the consolidated statement of cash flows.

	Senior unsecured corporate borrowings	Senior tranche of securitisation loan notes	Total borrowings	Senior unsecured corporate borrowings	Senior tranche of securitisation loan notes	Total borrowings
	2024	2024	2024	2023	2023	2023
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
Balance at 1 January	201.1	50.3	251.4	163.8	–	163.8
Additional borrowing during the year	360.0	113.8	473.8	175.0	58.1	233.1
Repayment of borrowings during the year	(172.8)	(35.3)	(208.1)	(137.7)	(7.1)	(144.8)
Costs on additional borrowings during the year	(0.7)	(1.0)	(1.7)	–	–	–
Unwind of borrowing costs (non-cash movement)	0.9	0.7	1.6	–	–	–
Reclassification of prepaid loan facility expense to prepayments	(0.2)	–	(0.2)	–	(0.7)	(0.7)
Balance at 31 December	388.3	128.5	516.8	201.1	50.3	251.4

The fair value of the outstanding borrowings is not materially different from amortised cost. Interest expense on borrowings is recognised within Finance costs in the consolidated statement of comprehensive income.

Financial commitments

Guarantees

The Group guarantees loans provided by third parties to Partners. In the event of default on any individual Partner loan, the Group guarantees to repay the full amount of the loan, with the exception of Metro Bank. For this third-party the Group guarantees to cover losses up to 50% of the value to the total loans drawn. These loans are secured against the future income streams of the Partner. The value of the loans guaranteed is as follows:

	Loans guaranteed		Facility	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	£'Million	£'Million	£'Million	£'Million
Bank of Scotland	12.3	19.6	16.0	35.0
Investec	26.5	33.3	50.0	50.0
Metro Bank	10.6	17.6	35.0	50.0
NatWest	27.5	32.2	75.0	75.0
Santander	171.4	186.5	206.6	189.1
Total loans	248.3	289.2	382.6	399.1

The fair value of these guarantees has been assessed as £nil (2023: £nil).

20. Financial risk

Risk management objectives and risk policies

The Group's financial risk can usefully be considered by looking at two categories of assets:

- ◆ Assets backing unit liabilities (see Note 14)
- ◆ Shareholder assets.

In general, the policyholder bears the financial risk arising on assets backing the unitised business, and risk arising on shareholder assets is minimised through investment in liquid assets with a strong credit rating.

Exposure to the following risks for the two categories of assets is analysed separately in the following sections, in line with the requirements of IFRS 7:

- ◆ Credit risk
- ◆ Liquidity risk
- ◆ Market risk
- ◆ Currency risk.

Credit risk is the risk of loss due to a debtor's non-payment of a loan or other line of credit. Credit risk also arises from holdings of cash and cash equivalents, deposits and formal loans with banks and financial institutions. The Group has adopted a risk-averse approach to such risk and has a stated policy of not actively pursuing or accepting credit risk except when necessary to support other objectives.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Risk	Description	Management
Shareholders' assets	Loss of assets or reduction in value.	Shareholder funds are predominantly invested in AAA-rated unitised money market funds, which are classified as investments in Collective Investment Schemes (CIS), and deposits with approved banks, but may be invested in sovereign fixed interest securities such as UK gilts where regulatory constraints on other assets apply. Maximum counterparty limits are set for each company within the Group and aggregate limits are also set at a Group level.
Reinsurance	Failure of counterparty, or counterparty unable to meet liabilities.	Credit ratings of potential reinsurers must meet or exceed AA-. Consideration is also given to size, risk concentrations/exposures and ownership in the selection of reinsurers. The Group also seeks to diversify its reinsurance credit risk through the use of a spread of reinsurers.
Business loans to Partners	Inability of Partners to repay loans or advances from the Group.	Loans and advances are managed in line with the Group's secured lending policy. Loans are secured on the future renewal income stream expected from a Partner's portfolio, and loan advances vary in relation to the projected future income of the relevant Partner. Outstanding balances are regularly reviewed and assessed on a conservative basis. Support is provided to help Partners manage their businesses appropriately. Expected credit losses are recognised as provisions against the loans.

Liquidity risk is the risk that the Group, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can secure such resources only at excessive cost. The Group is averse to liquidity risk and seeks to minimise this risk by not actively pursuing it except where necessary to support other objectives.

Risk	Description	Management
Cash or expense requirement	A significant cash or expense requirement needs to be met at short notice.	The majority of free assets are invested in cash or cash equivalents and the cash position and forecast are monitored on a monthly basis. The Group also maintains a margin of free assets in excess of the minimum required solvency capital within its regulated entities. Further, the Group has established committed borrowing facilities (see Note 19) intended to further mitigate liquidity risk.

Market risk is the impact a fall in the value of equity or other asset markets may have on the business. The Group adopts a risk-averse approach to market risk, with a stated solvency policy of not actively pursuing or accepting market risk except where necessary to support other objectives. However, the Group accepts the risk that a fall in equity or other asset markets will reduce the level of annual management charge income derived from policyholder assets and the consequent risk of lower future profits.

The table below summarises the main market risks that the business is exposed to and the methods by which the Group seeks to mitigate them.

Risk	Description	Management
Client liabilities	As a result of a reduction in equity values, the Group may be unable to meet client liabilities.	This risk is substantially mitigated by the Group's strategic focus on unitised business, by not providing guarantees to clients on policy values and by the matching of assets and liabilities.
Retention	Loss of future profit on investment contracts due to more clients than anticipated withdrawing their funds, particularly as a result of poor investment performance.	Retention of investment contracts is closely monitored and unexpected experience variances are investigated. Retention has remained consistently strong throughout 2024 despite the volatile market conditions experienced.
New business	Poor performance in the financial markets in absolute terms, and relative to inflation, leads to existing and future clients rejecting investment in longer-term assets.	The benefit to clients of longer-term equity investment as part of a diversified portfolio of assets is fundamental to our philosophy. Advice becomes even more important when market values fall, and greater attention is required to support and give confidence to existing and future clients in such circumstances. In addition, as controls against poor performance the Group monitors asset allocations across portfolios to ensure they are working as expected to meet long-term goals, and monitors funds against their objectives to ensure an appropriate level of investment risk. Where necessary, fund managers are changed.

The Group is not subject to any significant direct currency risk, since all material shareholder financial assets and financial liabilities are denominated in pounds Sterling. However, since future profits are dependent on charges based on funds under management (FUM), changes in FUM as a result of currency movements will impact future profits.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Shareholder assets

Categories of financial assets and financial liabilities

The categories and carrying values of the shareholder financial assets and financial liabilities held in the Group's statement of financial position are summarised in the table below. The impact of climate change does not have a material impact on the fair values of the assets summarised below.

	Financial assets at fair value through profit and loss	Financial liabilities at fair value through profit and loss	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total		Financial assets at fair value through profit and loss	Financial liabilities at fair value through profit and loss	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
31 December 2024	£'Million	£'Million	£'Million	£'Million	£'Million	31 December 2023	£'Million	£'Million	£'Million	£'Million	£'Million
Financial assets						Financial assets					
Fixed income securities	8.6	–	–	–	8.6	Fixed income securities	8.2	–	–	–	8.2
Investment in Collective Investment Schemes ¹	2,194.3	–	–	–	2,194.3	Investment in Collective Investment Schemes ¹	1,454.4	–	–	–	1,454.4
Other receivables ²						Other receivables ²					
– Business loans to Partners	–	–	557.3	–	557.3	– Business loans to Partners	–	–	408.0	–	408.0
– Renewal income assets	121.0	–	–	–	121.0	– Renewal income assets	138.3	–	–	–	138.3
– Other	–	–	760.9	–	760.9	– Other	–	–	1,155.4	–	1,155.4
<i>Total other receivables</i>	<i>121.0</i>	<i>–</i>	<i>1,318.2</i>	<i>–</i>	<i>1,439.2</i>	<i>Total other receivables</i>	<i>138.3</i>	<i>–</i>	<i>1,563.4</i>	<i>–</i>	<i>1,701.7</i>
Cash and cash equivalents	–	–	352.6	–	352.6	Cash and cash equivalents	–	–	285.4	–	285.4
Total financial assets	2,323.9	–	1,670.8	–	3,994.7	Total financial assets	1,600.9	–	1,848.8	–	3,449.7
Financial liabilities						Financial liabilities					
Borrowings	–	–	–	516.8	516.8	Borrowings	–	–	–	251.4	251.4
Other payables						Other payables					
– Lease liabilities: properties	–	–	–	107.2	107.2	– Lease liabilities: properties	–	–	–	120.5	120.5
– Contingent consideration	–	5.3	–	–	5.3	– Contingent consideration	–	3.2	–	–	3.2
– Other	–	–	–	1,339.1	1,339.1	– Other	–	–	–	1,651.1	1,651.1
<i>Total other payables</i>	<i>–</i>	<i>5.3</i>	<i>–</i>	<i>1,446.3</i>	<i>1,451.6</i>	<i>Total other payables</i>	<i>–</i>	<i>3.2</i>	<i>–</i>	<i>1,771.6</i>	<i>1,774.8</i>
Total financial liabilities	–	5.3	–	1,963.1	1,968.4	Total financial liabilities	–	3.2	–	2,023.0	2,026.2

1 All assets included as shareholder investment in Collective Investment Schemes are holdings of high-quality, highly liquid money market funds, containing assets which are cash and cash equivalents.

2 Other receivables exclude prepayments and advanced payments to Partners, which are not considered financial assets.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Income, expense, gains and losses arising from financial assets and financial liabilities

The income, expense, gains and losses arising from shareholder financial assets and financial liabilities are summarised in the table below:

	Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total		Financial assets at fair value through profit and loss	Financial assets measured at amortised cost	Financial liabilities measured at amortised cost	Total
Year ended 31 December 2024	£'Million	£'Million	£'Million	£'Million	Year ended 31 December 2023	£'Million	£'Million	£'Million	£'Million
Financial assets					Financial assets				
Fixed income securities	1.1	–	–	1.1	Fixed income securities	1.2	–	–	1.2
Investment in Collective Investment Schemes	108.7	–	–	108.7	Investment in Collective Investment Schemes	60.6	–	–	60.6
Other receivables					Other receivables				
– Business loans to Partners	–	36.2	–	36.2	– Business loans to Partners	–	22.1	–	22.1
– Renewal income assets	(21.4)	–	–	(21.4)	– Renewal income assets	(7.1)	–	–	(7.1)
<i>Total other receivables</i>	<i>(21.4)</i>	<i>36.2</i>	<i>–</i>	<i>14.8</i>	<i>Total other receivables</i>	<i>(7.1)</i>	<i>22.1</i>	<i>–</i>	<i>15.0</i>
Cash and cash equivalents	–	15.5	–	15.5	Cash and cash equivalents	–	17.7	–	17.7
Total financial assets	88.4	51.7	–	140.1	Total financial assets	54.7	39.8	–	94.5
Financial liabilities					Financial liabilities				
Borrowings	–	–	(33.0)	(33.0)	Borrowings	–	–	(13.9)	(13.9)
Other payables					Other payables				
– Lease liabilities: properties	–	–	(3.2)	(3.2)	– Lease liabilities: properties	–	–	(3.4)	(3.4)
– Other	–	–	(0.2)	(0.2)	<i>Total other payables</i>	<i>–</i>	<i>–</i>	<i>(3.4)</i>	<i>(3.4)</i>
<i>Total other payables</i>	<i>–</i>	<i>–</i>	<i>(3.4)</i>	<i>(3.4)</i>	Total financial liabilities	–	–	(17.3)	(17.3)
Total financial liabilities	–	–	(36.4)	(36.4)					

Losses on renewal income assets have been recognised within the investment return line in the statement of comprehensive income.

Fair value estimation

Financial assets and liabilities which are held at fair value in the financial statements are required to have disclosed their fair value measurements by level of the following fair value measurement hierarchy:

- ♦ quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- ♦ inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2)
- ♦ inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

The following table presents the Group's shareholder assets and liabilities measured at fair value.

31 December 2024	Level 1	Level 2	Level 3	Total balance
	£'Million	£'Million	£'Million	£'Million
Financial assets				
Fixed income securities	8.6	–	–	8.6
Investment in Collective Investment Schemes ¹	2,194.3	–	–	2,194.3
Renewal income assets	–	–	121.0	121.0
Total financial assets	2,202.9	–	121.0	2,323.9
Financial liabilities				
Contingent consideration	–	–	5.3	5.3
Total financial liabilities	–	–	5.3	5.3

31 December 2023	Level 1	Level 2	Level 3	Total balance
	£'Million	£'Million	£'Million	£'Million
Financial assets				
Fixed income securities	8.2	–	–	8.2
Investment in Collective Investment Schemes ¹	1,454.4	–	–	1,454.4
Renewal income assets	–	–	138.3	138.3
Total financial assets	1,462.6	–	138.3	1,600.9
Financial liabilities				
Contingent consideration	–	–	3.2	3.2
Total financial liabilities	–	–	3.2	3.2

¹ All assets included as shareholder investment in Collective Investment Schemes are holdings of high-quality, highly liquid unitised money market funds, containing assets which are cash and cash equivalents.

The fair value of financial instruments traded in active markets is based on quoted bid prices at the reporting date. These instruments are included in Level 1. Level 2 financial assets and liabilities are valued using observable prices for identical current arm's-length transactions.

The renewal income assets are Level 3 and are valued using a discounted cash flow technique and the assumptions outlined in Note 15. The effect of applying reasonably possible alternative assumptions of a movement of 200bps on the discount rate and a 10% movement in the lapse rate would result in an unfavourable change in valuation of £10.0 million (2023: £12.4 million) and a favourable change in valuation of £12.0 million (2023: £15.1 million), respectively.

The contingent consideration liability is classified as Level 3 and is valued based on the terms set out in the various sale and purchase agreements. Given the nature of the valuation basis the effect of applying reasonably possible alternative assumptions would result in an unfavourable change of £nil (2023: £nil) and favourable change of £5.3 million (2023: £3.2 million).

There were no transfers between Level 1 and Level 2 during the year, nor into or out of Level 3.

The following tables present the changes in Level 3 financial assets and liabilities at fair value through the profit and loss:

Financial assets

	2024	2023
	£'Million	£'Million
Renewal income assets		
Balance at 1 January	138.3	115.5
Additions during the year	4.8	32.0
Disposals during the year	(0.7)	(2.1)
Unrealised losses recognised in the statement of comprehensive income	(21.4)	(7.1)
Balance at 31 December	121.0	138.3

Unrealised losses on renewal income assets are recognised within investment return in the consolidated statement of comprehensive income.

Financial liabilities

	2024	2023
	£'Million	£'Million
Contingent consideration		
Balance at 1 January	3.2	8.3
Additions during the year	3.4	3.2
Payments made during the year	(1.3)	(6.7)
Released during the year	–	(1.6)
Balance at 31 December	5.3	3.2

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Credit risk

The following table sets out the maximum credit risk exposure and ratings of shareholder financial and other assets which are susceptible to credit risk:

	AAA	AA	A	BB	Unrated	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
31 December 2024						
Fixed income securities	–	8.6	–	–	–	8.6
Investment in Collective Investment Schemes ¹	2,194.3	–	–	–	–	2,194.3
Other receivables	–	10.8	–	–	1,428.4	1,439.2
Cash and cash equivalents	–	187.9	164.7	–	–	352.6
Total	2,194.3	207.3	164.7	–	1,428.4	3,994.7
	AAA	AA	A	BB	Unrated	Total
	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
31 December 2023						
Fixed income securities	–	8.2	–	–	–	8.2
Investment in Collective Investment Schemes ¹	1,454.4	–	–	–	–	1,454.4
Other receivables	–	6.7	–	–	1,695.0	1,701.7
Cash and cash equivalents	–	74.2	211.2	–	–	285.4
Total	1,454.4	89.1	211.2	–	1,695.0	3,449.7

¹ Investment of shareholder assets in Collective Investment Schemes refers to investment in unithold money market funds, containing assets which are cash and cash equivalents.

Other receivables includes £557.3 million (2023: £408.0 million) of business loans to Partners, which are interest-bearing (linked to Bank of England base rate plus a margin), repayable in line with the terms of the loan contract and secured against the future renewal income streams of the respective Partners.

Impairment of these loans is determined using the expected loss model set out in IFRS 9. Expected credit losses are based on the historic levels of loss experienced on business loans to Partners, with due consideration given to forward-looking information. A range of factors, including the nature or type of the loan and the security held, are taken into account in calculating the provision.

The loan balance is presented net of a £8.5 million provision (2023: £4.8 million); see Note 15. The movement in the impairment provision will reflect utilisation of the existing provision during the year, but the overall cost of business loans to Partners (including new provisions) recognised within administration expenses in the statement of comprehensive income during the year was a charge of £6.8 million (2023: £8.9 million).

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Contractual maturity and liquidity analysis

The following table sets out the contractual maturity analysis of the Group's financial assets and financial liabilities. All financial liabilities are undiscounted:

31 December 2024	Up to 1 year	1 to 5 years	Over 5 years	Total	31 December 2023	Up to 1 year ¹	1 to 5 years ¹	Over 5 years ¹	Total ¹
	£'Million	£'Million	£'Million	£'Million		£'Million	£'Million	£'Million	£'Million
Financial assets					Financial assets				
Fixed income securities	8.6	–	–	8.6	Fixed income securities	8.2	–	–	8.2
Investment in Collective Investment Schemes	2,194.3	–	–	2,194.3	Investment in Collective Investment Schemes	1,454.4	–	–	1,454.4
Other receivables					Other receivables				
– Business loans to Partners	88.1	247.8	221.4	557.3	– Business loans to Partners	120.9	253.7	33.4	408.0
– Renewal income	23.1	52.2	45.7	121.0	– Renewal income	22.1	51.7	64.5	138.3
– Other	760.9	–	–	760.9	– Other	1,155.4	–	–	1,155.4
<i>Total other receivables</i>	<i>872.1</i>	<i>300.0</i>	<i>267.1</i>	<i>1,439.2</i>	<i>Total other receivables</i>	<i>1,298.4</i>	<i>305.4</i>	<i>97.9</i>	<i>1,701.7</i>
Cash and cash equivalents	352.6	–	–	352.6	Cash and cash equivalents	285.4	–	–	285.4
Total financial assets	3,427.6	300.0	267.1	3,994.7	Total financial assets	3,046.4	305.4	97.9	3,449.7
Financial liabilities					Financial liabilities				
Borrowings	58.4	389.7	141.8	589.9	Borrowings	75.8	127.3	119.2	322.3
Other payables					Other payables				
– Lease liabilities: properties	14.6	60.6	74.1	149.3	– Lease liabilities: properties ¹	15.2	65.0	83.0	163.2
– Contingent consideration	2.3	3.0	–	5.3	– Contingent consideration	1.3	1.9	–	3.2
– Other	1,281.7	48.0	18.0	1,347.7	– Other	1,581.6	58.0	22.5	1,662.1
<i>Total other payables</i>	<i>1,298.6</i>	<i>111.6</i>	<i>92.1</i>	<i>1,502.3</i>	<i>Total other payables</i>	<i>1,598.1</i>	<i>124.9</i>	<i>105.5</i>	<i>1,828.5</i>
Total financial liabilities	1,357.0	501.3	233.9	2,092.2	Total financial liabilities	1,673.9	252.2	224.7	2,150.8

¹ Restated to reflect undiscounted future cash outflows.

Sensitivity analysis to market risks

Financial assets and liabilities held outside unitised funds primarily consist of fixed interest securities, units in money market funds, cash and cash equivalents, and other accounting assets and liabilities. The fixed interest securities are short-term and are held as an alternative to cash. Similarly, cash held in unitised money market funds and at bank is valued at par and is unaffected by movement in interest rates. Other assets and liabilities are similarly unaffected by market movements.

As a result of these combined factors, the Group's financial assets and liabilities held outside unitised funds are not materially subject to market risk, and movements at the reporting date in interest rates and equity values have an immaterial impact on the Group's profit after tax and equity. However, future profits from annual management charges may be affected by movements in interest rates and equity values.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Unit liabilities and associated assets

Categories of financial assets and financial liabilities

Assets held to cover unit liabilities are summarised in Note 14, and all are held at fair value through profit or loss. Equities, investments in unit trusts which sit within investment in Collective Investment Schemes, and derivative financial assets are required to be held at fair value through profit or loss by IFRS 9, as they are equity instruments or derivatives. All other assets held to cover unit liabilities are elected to be held at fair value through profit or loss to match the fair value through profit or loss classification which is required for unit liabilities. They are designated as such upon initial recognition.

Income, expense, gains and losses arising from financial assets, investment properties and financial liabilities

The income, expense, gains and losses arising from financial assets, investment properties and financial liabilities are summarised in the table below:

	31 December 2024	31 December 2023
	£'Million	£'Million
Financial assets and investment properties		
Investment properties	48.0	20.0
Other assets backing unit liabilities	15,594.6	13,013.4
Total financial assets and investment properties	15,642.6	13,033.4
Financial liabilities¹		
Unit liabilities	(15,652.1)	(13,038.4)
Total financial liabilities	(15,652.1)	(13,038.4)

¹ None of the change in the fair value of financial liabilities at fair value through profit or loss is attributable to changes in their credit risk.

The investment properties figure of £48.0 million for the year ended 31 December 2024 (2023: £20.0 million) includes direct operating expenses of £9.5 million (2023: £5.0 million).

Gains/(losses) have been recognised within the investment return line in the statement of comprehensive income.

Fair value estimation

Financial assets and liabilities which are held at fair value in the financial statements are required to have disclosed their fair value measurements, split by level in the fair value measurement hierarchy. The following table presents the Group's unit liabilities and associated assets measured at fair value:

	Level 1	Level 2	Level 3	Total balance
	£'Million	£'Million	£'Million	£'Million
31 December 2024				
Financial assets and investment properties				
Investment property	–	–	892.3	892.3
Equities	129,554.8	–	994.2	130,549.0
Fixed income securities	6,938.3	19,059.7	111.9	26,109.9
Investment in Collective Investment Schemes	23,447.1	–	11.3	23,458.4
Derivative financial assets	–	2,812.8	–	2,812.8
Cash and cash equivalents	5,311.3	–	–	5,311.3
Total financial assets and investment properties	165,251.5	21,872.5	2,009.7	189,133.7
Financial liabilities				
Investment contract benefits	–	141,038.8	–	141,038.8
Derivative financial liabilities	–	3,052.1	–	3,052.1
Net asset value attributable to unit holders	44,699.5	–	–	44,699.5
Total financial liabilities	44,699.5	144,090.9	–	188,790.4

	Level 1	Level 2	Level 3	Total balance
	£'Million	£'Million	£'Million	£'Million
31 December 2023				
Financial assets and investment properties				
Investment property	–	–	1,110.3	1,110.3
Equities	115,134.5	–	1,627.0	116,761.5
Fixed income securities	6,883.7	20,006.3	346.5	27,236.5
Investment in Collective Investment Schemes	12,505.7	–	7.4	12,513.1
Derivative financial assets	–	3,420.6	–	3,420.6
Cash and cash equivalents	5,918.9	–	–	5,918.9
Total financial assets and investment properties	140,442.8	23,426.9	3,091.2	166,960.9
Financial liabilities				
Investment contract benefits	–	123,149.8	–	123,149.8
Derivative financial liabilities	–	3,073.0	–	3,073.0
Net asset value attributable to unit holders	40,536.5	–	–	40,536.5
Total financial liabilities	40,536.5	126,222.8	–	166,759.3

In respect of the derivative financial liabilities, £158.8 million of collateral had been posted as at 31 December 2024 (2023: £181.3 million), comprising cash and treasury bills, in accordance with the terms and conditions of the derivative contracts.

The fair value of financial instruments traded in active markets is based on quoted bid prices at the reporting date. These instruments are included in Level 1.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

The Group closely monitors the valuation of assets in markets that have become less liquid. Determining whether a market is active requires the exercise of judgement and is determined based upon the facts and circumstances of the market for the instrument being measured. Where it is determined that there is no active market, fair value is established using a valuation technique. The techniques applied incorporate relevant information available and reflect appropriate adjustments for credit and liquidity risks. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. The relative weightings given to differing sources of information and the determination of non-observable inputs to valuation models can require the exercise of significant judgement.

If all significant inputs required to fair-value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Note that all of the resulting fair value estimates are included in Level 2, except for certain equities, fixed income securities, investments in Collective Investment Schemes and investment properties as detailed below.

Specific valuation techniques used to value Level 2 financial assets and liabilities include the use of observable prices for identical current arm's-length transactions, specifically:

- the fair value of fixed income securities is determined by inputs including interest rates and market-observable yield curves of similar instruments in the market
- the fair value of unit-linked liabilities is assessed by reference to the underlying net asset value of the Group's unitised investment funds, determined on a bid value basis, at the reporting date
- the Group's derivative financial instruments are valued using valuation techniques commonly used by market participants. These consist of discounted cash flow and option pricing models, which typically incorporate observable market data, principally interest rates, basis spreads, foreign exchange rates, equity prices and counterparty credit.

Specific valuation techniques used to value Level 3 financial assets and liabilities include:

- the use of unobservable inputs, such as expected rental values and equivalent yields
- other techniques, such as discounted cash flow and historic lapse rates, which are used to determine fair value for the remaining financial instruments.

There were no transfers between Level 1 and Level 2 during the year.

Transfers into and out of Level 3 portfolios

The Group's policy is to recognise transfers into and out of levels as of the end of each reporting period except for material transfers which are recognised as of the date of the event or change in circumstances that caused the transfer. Transfers out of Level 3 portfolios arise when inputs that could have a significant impact on the instrument's valuation become market-observable; conversely, transfers into the portfolios arise when consistent sources of data cease to be available.

Transfers in of certain investments in Collective Investment Schemes occur when asset valuations can no longer be obtained from an observable market price; e.g. where they have become illiquid, in liquidation, suspended, etc. The converse is true if an observable market price becomes available.

The following table presents the changes in Level 3 financial assets and liabilities at fair value through the profit and loss:

	Investment property	Fixed income securities	Equities	Collective Investment Schemes
	£'Million	£'Million	£'Million	£'Million
2024				
Balance at 1 January 2024	1,110.3	346.5	1,627.0	7.4
Transfer into Level 3	–	4.8	–	4.0
Additions during the year	15.8	33.9	62.7	–
Disposed during the year	(230.5)	(270.2)	(724.4)	(0.5)
(Losses)/gains recognised in the income statement	(3.3)	(3.1)	28.9	0.4
Balance at 31 December 2024	892.3	111.9	994.2	11.3
Realised (losses)/gains	(95.3)	(2.0)	177.6	–
Unrealised gains/(losses)	92.0	(1.1)	(148.7)	0.4
(Losses)/gains recognised in the income statement	(3.3)	(3.1)	28.9	0.4
2023				
Balance at 1 January 2023	1,294.5	366.4	1,592.0	3.9
Transfer into Level 3	–	26.7	–	4.0
Additions during the year	10.1	25.9	227.1	–
Disposed during the year	(149.4)	(58.2)	(225.0)	(0.4)
(Losses)/gains recognised in the income statement	(44.9)	(14.3)	32.9	(0.1)
Balance at 31 December 2023	1,110.3	346.5	1,627.0	7.4
Realised (losses)/gains	(39.0)	7.4	(4.4)	–
Unrealised (losses)/gains	(5.9)	(21.7)	37.3	(0.1)
(Losses)/gains recognised in the income statement	(44.9)	(14.3)	32.9	(0.1)

Unrealised and realised (losses)/gains for all Level 3 assets are recognised within investment return in the statement of comprehensive income.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

Level 3 valuations

Investment property

At 31 December 2024 the Group held £892.3 million (2023: £1,110.3 million) of investment property, all of which is classified as Level 3 in the fair value hierarchy. It is initially measured at cost including related acquisition costs and subsequently valued at least monthly by professional external valuers at the properties' respective fair values at each reporting date. The fair values derived are based on anticipated market values for the properties in accordance with guidance issued by the Royal Institution of Chartered Surveyors, being the estimated amount that would be received from a sale of the assets in an orderly transaction between market participants. The valuation of investment property is inherently subjective as it requires, among other factors, assumptions to be made regarding the ability of existing tenants to meet their rental obligations over the entire life of their leases; the estimation of the expected rental income into the future; the assessment of a property's potential to remain as an attractive technical configuration to existing and prospective tenants in a changing market; and a judgement on the attractiveness of a building, its location and the surrounding environment.

31 December 2024	Investment property classification			
	Office	Industrial	Retail and leisure	All
Gross ERV (per sq ft)¹				
Range	£31.00 to £120.00	£5.50 to £24.00	£1.86 to £80.00	£1.86 to £120.00
Weighted average	£49.70	£14.46	£13.96	£17.70
True equivalent yield				
Range	4.7% to 10.5%	4.6% to 7.0%	5.7% to 9.1%	4.7% to 10.5%
Weighted average	6.8%	5.6%	7.3%	6.3%

31 December 2023	Investment property classification			
	Office	Industrial	Retail and leisure	All
Gross ERV (per sq ft)¹				
Range	£29.50 to £110.00	£5.25 to £24.00	£2.50 to £97.54	£2.50 to £110.00
Weighted average	£49.58	£13.74	£13.53	£16.89
True equivalent yield				
Range	4.7% to 10.3%	5.0% to 6.8%	6.2% to 13.9%	4.7% to 13.9%
Weighted average	7.0%	5.6%	7.8%	6.7%

¹ Equivalent rental value (per square foot).

Fixed income securities and equities

At 31 December 2024 the Group held £111.9 million (2023: £346.5 million) in private credit investments, and £994.2 million (2023: £1,628.3 million) in private market investments through the St. James's Place Diversified Assets (FAIF) Unit Trust. These are recognised within fixed income securities and equities, respectively, in the consolidated statement of financial position. They are measured at fair value, with the best evidence of the fair value at initial recognition being the transaction price, i.e. the fair value of the consideration given or received. Following initial recognition a monthly valuation process occurs which includes verification by suitably qualified professional external valuers, who are members of various industry bodies including the British Private Equity and Venture Capital Association.

The fair values of the private credit investments are principally determined using two valuation methods:

1. The shadow rating method, which assigns a shadow credit rating to the debt-issuing entity and determines an expected yield with reference to observable yields for comparable companies with a public credit rating in the loan market.
2. The weighted average cost of capital (WACC) method, which determines the debt-issuing entity's WACC with reference to observable market comparatives.

The expected yield and WACC are used as the discount rates to calculate the present value of the expected future cash flows under the shadow rating and WACC methods respectively, which is taken to be the fair value.

The fair values of the private market investments are principally determined using two valuation methods:

1. A market approach with reference to suitable market comparatives.
2. An income approach using discounted cash flow analysis which assesses the fair value of each asset based on its expected future cash flows.

The output of each method for both the private credit and private market investments is a range of values, from which the mid-point is selected to be the fair value in the majority of cases. The mid-point will not be selected if further information is known about an investment which cannot be factored into the valuation method used. A weighting is assigned to the values determined following each method to determine the final valuation.

The valuations are inherently subjective as they require a number of assumptions to be made, such as determining which entities provide suitable market comparatives and their relevant performance metrics (for example earnings before interest, tax, depreciation and amortisation), determining appropriate discount rates and cash flow forecasts to use in models, the weighting to apply to each valuation methodology, and the point in the range of valuations to select as the fair value.

Sensitivity of Level 3 valuations

Investment in Collective Investment Schemes

The valuations of certain investments in Collective Investment Schemes are based on the latest observable price available. Whilst such valuations are sensitive to estimates, it is believed that changing the price applied to a reasonably possible alternative would not change the fair value significantly.

Investment property

As set out on the left of this page, investment property is initially measured at cost including related acquisition costs and subsequently valued at least monthly by professional external valuers at the properties' respective fair values at each reporting date. The following table sets out the effect of applying reasonably possible alternative assumptions, being a 10% movement in estimated rental value and a 50bps movement in relative yield, to the valuation of the investment properties. Any change in the value of investment property is matched by an associated movement in the policyholder liability, and therefore would not impact the shareholder net assets.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

20. Financial risk continued

	Investment property significant unobservable inputs	Effect of reasonably possible alternative assumptions		
		Carrying value	Favourable changes	Unfavourable changes
		£'Million	£'Million	£'Million
31 December 2024	Expected rental value/relative yield	892.3	1,064.5	747.0
31 December 2023	Expected rental value/relative yield	1,110.3	1,314.4	938.9

Fixed income securities and equities

As set out on the previous page, the fair values of the Level 3 fixed income securities and equities are selected from the valuation range determined through the monthly valuation process. The following table sets out the effect of valuing each of the assets at the high and low point of the range. As with investment property, any change in the value of these fixed income securities or equities is matched by an associated movement in the policyholder liability, and therefore would not impact on the shareholder net assets.

		Effect of reasonably possible alternative assumptions		
		Carrying value	Favourable changes	Unfavourable changes
		£'Million	£'Million	£'Million
31 December 2024	Fixed income securities	111.9	115.6	108.1
	Equities	994.2	1,128.1	911.7
31 December 2023	Fixed income securities	346.5	351.9	340.7
	Equities	1,627.0	1,813.0	1,449.2

Credit risk

Credit risk relating to unit liabilities is borne by the unit holders.

Contractual maturity and liquidity analysis

Unit liabilities (and the associated assets) are deemed to have a maturity of up to one year since they are repayable and transferable on demand. In practice the contractual maturities of the assets may be longer than one year, but the majority of assets held within the unit-linked and unit trust funds are highly liquid and the Group also actively monitors fund liquidity.

Sensitivity analysis to market risks

The majority of the Group's business is unitised and the direct associated market risk is therefore borne by unit holders. For completeness, we note that there is an indirect risk associated with market performance as future shareholder income is dependent upon markets; however, the direct risk has been mitigated through the Group's approach to matching assets and liabilities.

21. Cash generated from operations

Note	Year ended 31 December 2024	Year ended 31 December 2023 ¹
	£'Million	£'Million
Cash flows from operating activities		
	1,049.1	439.6
Profit before tax for the year		
Adjustments for:		
Amortisation of purchased value of in-force business	11 3.2	3.2
Amortisation of computer software	11 22.4	15.4
Depreciation	12 23.4	24.0
Impairment of goodwill	11 10.3	–
Loss on disposal of computer software	11 –	0.8
Loss on disposal of property and equipment, including leased assets	12 4.1	2.3
Gain on disposal of subsidiary	–	(1.2)
Share-based payment charge	24 11.2	4.9
Interest income ¹	(236.6)	(168.6)
Interest expense	9 36.4	17.3
(Decrease)/increase in provisions	18 (39.8)	454.1
Exchange rate (gains)/losses	(0.2)	2.3
	(165.6)	354.5
Changes in operating assets and liabilities		
Decrease in deferred acquisition costs	11 18.2	32.2
Decrease in investment property	218.0	184.2
Increase in other investments	(23,738.7)	(21,077.2)
Increase in investments in associates	(3.5)	–
(Increase)/decrease in reinsurance assets	(1.9)	41.6
Decrease/(increase) in other receivables	310.3	(14.2)
Increase in insurance contract liabilities	22.6	25.5
Increase in financial liabilities (excluding borrowings)	17,868.1	15,991.8
Decrease in deferred income	11 (22.0)	(38.9)
(Decrease)/increase in other payables	(246.1)	206.2
Increase in net assets attributable to unit holders	4,163.0	3,908.1
	(1,412.0)	(740.7)
Cash (used in)/generated from operations	(528.5)	53.4

¹ Restated to reclassify £60.6 million money market fund interest from interest income to interest received, which had been misclassified.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

22. Capital management and allocation

The Group's capital management policy, set by the Board, is to maintain a strong capital base in order to:

- ◆ protect clients' interests
- ◆ meet regulatory requirements
- ◆ protect creditors' interests
- ◆ create shareholder value through support for business development.

The policy requires that each subsidiary manages its own capital, in particular to maintain regulatory solvency, in the context of a Group capital plan. Any capital in excess of planned requirements is returned to the Group's Parent Company, St. James's Place plc, normally by way of dividends. The Group capital position is monitored by the Audit Committee on behalf of the St. James's Place plc Board.

Regulatory capital

The Group's capital management policy is, for each subsidiary, to hold the higher of:

- ◆ the capital required by any relevant supervisory body, uplifted by a specified margin to absorb changes
- ◆ the capital required based on the Company's internal assessment.

For our insurance companies, we hold capital based on our own internal assessment, recognising the regulatory requirement. For other regulated companies we generally hold capital based on the regulatory requirement uplifted by a specified margin.

The following entities are subject to regulatory supervision and have to maintain a minimum level of regulatory capital:

Entity	Regulatory body and jurisdiction
Capstone Financial (HK) Limited	Securities and Futures Commission (Hong Kong): Insurance Authority (Hong Kong)
Perennial Financial Management Limited	FCA: Personal Investment Firm
Policy Services Limited	FCA: Personal Investment Firm
Rowan Dartington & Co Limited	FCA: Investment Firm
St. James's Place (Hong Kong) Limited	Securities and Futures Commission (Hong Kong): Insurance Authority (Hong Kong)
St. James's Place (Middle East) Limited	Dubai Financial Services Authority
St. James's Place International (Hong Kong) Limited	Insurance Authority (Hong Kong)
St. James's Place International plc	Central Bank of Ireland: Life Insurance Business
St. James's Place Investment Administration Limited	FCA: Investment Firm
St. James's Place Partnership Services Limited	FCA: Consumer Credit Firm
St. James's Place (Singapore) Private Limited	Monetary Authority of Singapore: Member of the Association of Financial Advisers
St. James's Place UK plc	PRA and FCA: Long-term insurance business
St. James's Place Unit Trust Group Limited	FCA: UCITS Management Company
St. James's Place Wealth Management plc	FCA: Personal Investment Firm

Notes to the consolidated financial statements under International Financial Reporting Standards continued

22. Capital management and allocation continued

In addition, the St. James's Place Group is regulated as an insurance group under Solvency II, with the PRA as the lead regulator. More information about the capital position of the Group under Solvency II regulations is set out in the separate Solvency and Financial Condition Report document. The overall capital position for the Group at 31 December 2024, assessed on the standard formula basis, is presented in the following table:

	31 December 2024	31 December 2023
	£'Million	£'Million
IFRS total assets	194,875.1	172,293.1
Less Solvency II valuation adjustments and unit-linked liabilities	(193,434.5)	(171,160.1)
Solvency II net assets	1,440.6	1,133.0
Solvency II value of in-force (VIF)	2,992.4	2,485.2
Risk margin	(373.0)	(318.4)
Own funds (A)	4,060.0	3,299.8
Standard formula SCR (B)	(2,104.1)	(1,727.7)
Solvency II free assets	1,955.9	1,572.1
Solvency II ratio (A/B)	193%	191%

The solvency ratio after payment of the proposed Group final dividend is 190% at 31 December 2024 (31 December 2023: 188%).

	31 December 2024	31 December 2023
	£'Million	£'Million
Solvency II net assets	1,440.6	1,133.0
Less: management solvency buffer (MSB)	(548.4)	(529.5)
Excess of free assets over MSB	892.2	603.5

An overall internal capital assessment is required for insurance groups. This is known as an ORSA (Own Risk and Solvency Assessment) and is described in more detail in the ORSA section within the risk and control management section.

The regulatory capital requirements of companies within the Group, and the associated solvency of the Group, are assessed and monitored by the Finance Oversight Group with oversight by the Audit Committee on behalf of the Group Board. Ultimate responsibility for individual companies' regulatory capital lies with the relevant subsidiary boards.

For the year ended 31 December 2024, we reviewed the level of our MSB and maintained the MSB for the Life businesses at £355.0 million (2023: £355.0 million). There has been no other material change in the level of capital requirements of individual companies during the year, nor in the Group's management of capital. All regulated entities exceeded the minimum solvency requirements at the reporting date and during the year. See section 3 of the financial review for further information.

IFRS capital composition

The principal forms of capital are included in the following balances on the consolidated statement of financial position:

	31 December 2024	31 December 2023
	£'Million	£'Million
Share capital	81.6	82.3
Share premium	233.9	233.9
Capital redemption reserve	0.7	–
Shares in trust reserve	(10.2)	(0.7)
Miscellaneous reserves	2.5	2.5
Retained earnings	965.3	665.4
Shareholders' equity	1,273.8	983.4
Non-controlling interests	(0.1)	0.1
Total equity	1,273.7	983.5

The above assets do not all qualify as regulatory capital. The required minimum regulatory capital, and analysis of the assets that qualify as regulatory capital, is outlined in section 3 of the financial review, which demonstrates that the Group has met its internal capital objectives. The Group and its individually regulated operations have complied with all externally and internally imposed capital requirements throughout the year.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

23. Share capital, earnings per share and dividends

Share capital

	Number of ordinary shares	Called-up share capital £'Million
At 1 January 2023	544,235,757	81.6
– Issue of shares	–	–
– Exercise of options	4,369,037	0.7
At 31 December 2023	548,604,794	82.3
– Issue of shares	–	–
– Exercise of options	–	–
– Shares repurchased in the buy-back programme	(4,590,083)	(0.7)
At 31 December 2024	544,014,711	81.6

Ordinary shares have a par value of 15 pence per share (2023: 15 pence per share) and are fully paid.

Included in the called-up share capital are 4,876,364 (2023: 3,411,743) shares held in the Shares in trust reserve with a nominal value of £0.7 million (2023: £0.5 million). The shares are held by the SJP Employee Benefit Trust and the St. James's Place 2010 Share Incentive Plan Trust to satisfy certain share-based payment schemes. The Trustees of the SJP Employee Benefit Trust retain the right to dividends on the shares held by the Trust but have chosen to waive their entitlement to the dividends on 2,135,521 shares at 31 December 2024 and 1,896,985 shares at 31 December 2023. The trustees of St. James's Place 2010 Share Incentive Plan Trust retain the right to dividends on forfeited shares held by the Trust but have chosen to waive their entitlement to the dividend on 1,034 shares at 31 December 2024 (2023: 556).

Share capital increases are included within the exercise of options line of the table above where they relate to the Group's share-based payment schemes. Other share capital increases are included within the issue of shares line.

During the year, the Company repurchased and cancelled 4,590,083 shares (2023: nil) for a total consideration of £32.9 million (2023: £nil) and incurred transaction costs of £0.2 million (2023: £nil). The cancelled shares, which had a nominal value of £0.7 million (2023: £nil), have been reflected as a decrease in share capital with a corresponding increase in the capital redemption reserve as required by the Companies Act 2006.

The number of shares reserved for issue under options and contracts for sale of shares, including terms and conditions, is included within Note 24.

Earnings per share

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Earnings		
Profit/(loss) after tax attributable to equity shareholders (for both basic and diluted EPS)	398.4	(10.1)
	Million	Million
Weighted average number of shares		
Weighted average number of ordinary shares in issue (for basic EPS)	545.4	547.6
Adjustments for outstanding share options	3.6	8.8
Weighted average number of ordinary shares (for diluted EPS)	549.0	556.4
	Pence	Pence
Earnings per share (EPS)		
Basic earnings per share	73.0	(1.8)
Diluted earnings per share	72.6	(1.8)

Dividends

The following dividends have been paid by the Group:

	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
	Pence per share	Pence per share	£'Million	£'Million
Final dividend in respect of 2022	–	37.19	–	203.1
Interim dividend in respect of 2023	–	15.83	–	86.5
Final dividend in respect of 2023	8.00	–	43.8	–
Interim dividend in respect of 2024	6.00	–	32.8	–
Total dividends	14.00	53.02	76.6	289.6

In respect of 2024 the Directors have recommended a 2024 final dividend of 12.00 pence per share. This amounts to £65.3 million based on the number of shares in issue on 31 December 2024 and will, subject to shareholder approval at the Annual General Meeting, be paid on 23 May 2025 to those shareholders on the register as at 11 April 2025.

In addition, under the authority granted by shareholders at the 2024 Annual General Meeting, the Directors have resolved to undertake a final share buy-back programme in respect to 2024, committing to purchase shares up to a maximum value of £92.6 million. The share buy-back will commence on 28 February 2025. This is in addition to the interim share buy-back in respect to 2024 of £32.9 million, which is referred to on the left of this page.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

24. Share-based payments

During the year ended 31 December 2024, the Group operated a number of different equity-settled and cash-settled share-based payment arrangements, which are aggregated as follows:

Share option schemes

- ◆ **Save As You Earn (SAYE) Plan** – this is an equity-settled scheme that is available to all employees where individuals may contribute up to £300 per month over the three-year vesting period to purchase shares at a price not less than 80% of the market price at the date of the invitation to participate. A total of 3,204,991 (2023: 587,793) SAYE options were granted across two grants made on 22 March 2024 and 25 September 2024 (2023: 23 March 2023). There are no other vesting conditions.
- ◆ **Associate Partner Plan** – this is an equity-settled scheme that was launched during 2017 whereby Partners and advisers are entitled to purchase a set number of shares in the future at the market price at the date of the invitation if they meet the required business volumes over the following three years. No grants were made in 2024 (2023: nil).
- ◆ **Executive Performance Share Plan** – the Group Remuneration Committee may make awards of performance options to the Executive Directors and other senior managers. Two thirds of options awarded to Executive Directors are subject to an earnings growth condition(s) of the Group and one third of options awarded to Executive Directors are subject to a comparative total shareholder return condition, both measured over a three-year performance period. Further information regarding the vesting conditions of the earnings-growth-dependent and total-shareholder-return-dependent portions of the award is given in the Report of the Group Remuneration Committee. Awards made to senior managers are typically subject to the same performance conditions as the awards to Executive Directors. Alternatively, awards made to senior managers may be subject to personal performance conditions. This is predominantly an equity-settled scheme. A total of 3,394,380 (2023: 1,863,029) options were granted under the Performance Share Plan across two grants made on 25 March 2024 and 27 November 2024 (2023: three grants made on 3 May 2023, 24 October 2023 and 27 November 2023).
- ◆ **Buyout Awards** – under these plans recently recruited Executive Directors or members of the Group Executive Committee have been awarded conditional and performance related shares. The vesting of conditional awards is subject to employment related conditions. Performance awards include both Group and external performance conditions. The Group performance targets are outlined in the details of the Executive Performance Share Plan above and in the Report of the Group Remuneration Committee. The external performance conditions are the original performance conditions relating to forfeited awards which had an outstanding performance period of less than two years at the time of award. The plans are predominantly equity-settled. 241,181 (2023: nil) awards were granted under the Buyout award plans on 10 December 2024 (2023: N/A).

Share awards

- ◆ **Share Incentive Plan (SIP)** – this is an equity-settled scheme, available to all employees, where individuals may invest up to an annual limit of £1,800 of pre-tax salary in St. James's Place plc shares, to which the Group will add a further 10%. The vesting period is three years; however, if the shares are held for five years they may be sold free of income tax or capital gains tax. There are no other vesting conditions. A total of 19,385 (2023: 7,695) shares were granted under the SIP on 25 March 2024 (2023: 24 March 2023).
- ◆ **Executive Deferred Bonus Plan (DBP)** – under these plans the deferred element of the annual bonus is used to purchase shares at market value in the Company. The shares are held in trust over the three-year vesting period and may be subject to further non-market-based performance conditions. The plans are predominantly equity-settled. A total of 1,079,020 (2023: 575,481) shares were granted under the Deferred Bonus Plan on 25 March 2024 (2023: 24 March 2023).
- ◆ **Restricted Share Plan** – under this plan employees are awarded performance-related shares with the vesting condition being linked to Group funds under management. The plan is predominantly equity-settled. A total of 576,010 (2023: 231,859) awards were granted under the Restricted Share Plan on 25 March 2024 (2023: 24 March 2023).

Share options and awards outstanding under the various share-based payment schemes set out above at 31 December 2024 amount to 17.6 million shares (2023: 11.9 million). Of these, 2.8 million (2023: 2.8 million) are under option to Partners and advisers of the St. James's Place Partnership, 11.6 million (2023: 8.2 million) are under option to Executive Directors and senior management (including 1.1 million (2023: 0.8 million) under option to Directors as disclosed in the Directors' remuneration report) and 3.2 million (2023: 0.9 million) are under option through the SAYE and SIP schemes. These are exercisable on a range of future dates.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

24. Share-based payments continued

Financial assumptions underlying the calculation of fair value

The fair value expense has been based on the fair value of the instruments granted, as calculated using appropriate derivative pricing models. The table below shows the weighted average assumptions and models used to calculate the grant-date fair value of each award:

Valuation model	SAYE Plan ³	Share Incentive Plan	Executive Deferred Bonus	Executive Performance Share Plan ^{3,4}	Restricted Share Plan	Buyout Awards – Conditional	Buyout Awards – Performance ^{4,5}
	Black-Scholes	Black-Scholes	Black-Scholes	Monte Carlo	Monte Carlo	Black-Scholes	Monte Carlo
Awards in 2024							
Fair value (pence)	114.2/266.4	470.0	470.0	105.3/418.8	403.3	864.0	194.0/770.0
Share price (pence)	458.6/725.0	470.0	470.0	470.0	470.0	864.0	864.0
Exercise price (pence)	405.0/578.0	–	–	–	–	–	–
Expected volatility (% per annum) ¹	36.9/39.9	N/A	N/A	36.9	N/A	N/A	36.9
Expected dividends (% per annum) ²	5.2/1.9	–	–	5.1	5.1	–	5.1
Risk-free interest rate (% per annum)	3.91/3.74	N/A	N/A	4	N/A	N/A	4.0
Expected life (years)	3.5	3	3	3	3	1–6	3–6
Volatility of competitors (% per annum)	N/A	N/A	N/A	20–69	N/A	N/A	20–69
Correlation with competitors (%)	N/A	N/A	N/A	32	N/A	N/A	32

Valuation model	SAYE Plan ³	Share Incentive Plan	Executive Deferred Bonus	Executive Performance Share Plan ^{3,4}	Restricted Share Plan	Buyout Awards – Conditional	Buyout Awards – Performance
	Black-Scholes	Black-Scholes	Black-Scholes	Monte Carlo	Monte Carlo	Black-Scholes	Monte Carlo
Awards in 2023							
Fair value (pence)	314.4	1,191.0	1,173.5	655.0/1,184.5	1,028.0	N/A	N/A
Share price (pence)	1,191.0	1,191.0	1,173.5	1,184.5	1,173.5	N/A	N/A
Exercise price (pence)	988.0	–	–	–	–	N/A	N/A
Expected volatility (% per annum) ¹	34	N/A	N/A	31	N/A	N/A	N/A
Expected dividends (% per annum) ²	4.4	–	–	4.5	4.5	N/A	N/A
Risk-free interest rate (% per annum)	3.4	N/A	N/A	N/A	N/A	N/A	N/A
Expected life (years)	3.5	3	3	3	3	N/A	N/A
Volatility of competitors (% per annum)	N/A	N/A	N/A	21–66	N/A	N/A	N/A
Correlation with competitors (%)	N/A	N/A	N/A	20	N/A	N/A	N/A

¹ Expected volatility is based on an analysis of the Company's historical share price volatility over a period which is commensurate with the expected term of the options or the awards.

² For schemes where dividends are payable on the shares during the vesting period, the dividend yield assumption in the Black-Scholes option pricing model is set at zero.

³ The awards made under the Executive Performance Share Plan are dependent upon earnings growth in the Company (two-thirds of the award) and a total shareholder return of a comparator group of companies (one-third of the award). This results in having two fair values for each of the awards made in the table above: the first being in relation to the comparator total shareholder return, which is a market-based performance condition and so valued using a Monte Carlo simulation; and the second relating to the Company's earnings growth, which is a non-market-based performance condition and so valued using the Black-Scholes model.

⁴ The awards made under the Executive Performance Share Plan and Buyout Awards – Performance, to recently recruited Executive Directors or members of the Group Executive Committee (GEC), are subject to a two-year holding period once the award has vested. This results in discounted fair values for the Executive Director and GEC population of 105.3/418.8 (2023: 594.6/1,073.9) to reflect the reduced marketability of the awards.

⁵ The awards made under Buyout Awards – Performance are significantly dependent upon earnings growth in the Company (two-thirds of the award) and a total shareholder return of a comparator group of companies (one-third of the award). This results in having two fair values for each of the awards made in the table above, the first being in relation to the comparator total shareholder return which is a market-based performance condition and so valued using a Monte Carlo simulation, and the second relating to the Company's earnings growth, which is a non-market-based performance condition and so valued using the Black-Scholes model.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

24. Share-based payments continued

Share option schemes

	Year ended 31 December 2024	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2023
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
SAYE Plan				
Outstanding at start of year	862,956	£10.26	1,139,731	£9.76
Granted	3,204,991	£4.20	587,793	£9.88
Forfeited	(882,952)	£9.32	(498,775)	£10.23
Exercised	–	–	(365,793)	£8.14
Outstanding at end of year	3,184,995	£4.43	862,956	£10.26
Exercisable at end of year	8,829	£12.81	–	–
Associate Partner Plan				
Outstanding at start of year	2,842,183	£10.91	2,909,183	£10.91
Granted	–	–	–	–
Forfeited	(7,500)	£10.83	(28,500)	£10.88
Exercised	–	–	(38,500)	£10.83
Outstanding at end of year	2,834,683	£10.91	2,842,183	£10.91
Exercisable at end of year	2,834,683	£10.91	2,842,183	£10.91

The average share price during the year was 639.4 pence (2023: 997.5 pence).

The SAYE Plan options outstanding at 31 December 2024 had exercise prices of 940 pence (1,643 options), 1,281 pence (8,829 options), 1,111 pence (38,173 options), 988 pence (61,068 options), 405 pence (2,793,731 options) and 578 pence (281,551 options), and a weighted average remaining contractual life of 2.3 years.

The options outstanding under the Associate Partner Plan at 31 December 2024 had an exercise price of 1,083 pence (2,388,958 options) and 1,135 pence (445,725 options), and a weighted average remaining contractual life of nil years.

Share awards

All share awards under the below schemes have exercise prices of nil.

	Year ended 31 December 2024	Year ended 31 December 2023
	Number of shares	Number of shares
Share Incentive Plan		
Outstanding at start of year	38,707	39,249
Granted	19,385	7,695
Forfeited	–	–
Exercised	(5,068)	(8,237)
Outstanding at end of year	53,024	38,707
Exercisable at end of year	–	10,558
Executive Deferred Bonus Plan		
Outstanding at start of year	1,091,624	985,271
Granted	1,079,020	575,481
Forfeited	(57,294)	(469,128)
Exercised	–	–
Outstanding at end of year	2,113,350	1,091,624
Exercisable at end of year	–	–
Executive Performance Share Plan		
Outstanding at start of year	6,660,214	7,373,170
Granted	3,394,380	1,863,029
Forfeited	(1,405,649)	(562,733)
Exercised	(364,701)	(2,013,252)
Outstanding at end of year	8,284,244	6,660,214
Exercisable at end of year	2,230,261	2,616,406
Restricted Share Plan		
Outstanding at start of year	417,973	197,291
Granted	576,010	231,859
Forfeited	(72,960)	(11,177)
Exercised	–	–
Outstanding at end of year	921,023	417,973
Exercisable at end of year	–	–

Notes to the consolidated financial statements under International Financial Reporting Standards continued

24. Share-based payments continued

	Year ended 31 December 2024	Year ended 31 December 2023
	Number of shares	Number of shares
Buyout Awards – conditional		
Outstanding at start of year	–	–
Granted	149,372	–
Forfeited	–	–
Exercised	–	–
Outstanding at end of year	149,372	–
Exercisable at end of year	–	–
Buyout Awards – performance		
Outstanding at start of year	–	–
Granted	91,809	–
Forfeited	–	–
Exercised	–	–
Outstanding at end of year	91,809	–
Exercisable at end of year	–	–

Early exercise assumptions

An allowance has been made for the impact of early exercise once options have vested in the SAYE Plan, where all option holders are assumed to exercise half-way through the six-month exercise window.

Allowance for performance conditions

The Executive Performance Share Plan includes a market-based performance condition based on the Company's total shareholder return relative to an index of comparator companies. The impact of this performance condition has been modelled using Monte Carlo simulation techniques, which involve running many thousands of simulations of future share price movements for both the Company and the comparator index. For the purpose of these simulations it is assumed that the share price of the Company and the comparator index are 32% (2023: 20%) correlated and that the comparator index has volatilities ranging between 20% per annum and 69% per annum (2023: 21% per annum and 66% per annum).

The performance condition is based on the Company's performance relative to the comparator index over a three-year period commencing on 1 January each year. The fair-value calculations for the awards that were made in 2024 therefore include an allowance for the actual performance of the Company's share price relative to the index over the period between 1 January 2024 and the various award dates.

Charge to the consolidated statement of comprehensive income

The table below sets out the charge to the consolidated statement of comprehensive income in respect of the share-based payment awards:

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Equity-settled share-based payment expense	11.2	5.4
Cash-settled share-based payment expense	0.2	(0.3)
Total share-based payment expense	11.4	5.1

Liabilities recognised in the statement of financial position

The liabilities recognised in the statement of financial position in respect of the cash-settled share-based payment awards, and National Insurance obligations arising from share-based payment awards, are as follows. These liabilities are included within other payables on the face of the statement of financial position. None of the liability in respect of cash-settled share-based payment awards at 31 December 2024 or 31 December 2023 is in respect of vested cash-settled share-based payments.

	31 December 2024	31 December 2023
	£'Million	£'Million
Liability for cash-settled share-based payments	1.5	1.2
Liability for employer National Insurance contributions on cash-settled and equity-settled share-based payments	4.8	3.5

Notes to the consolidated financial statements under International Financial Reporting Standards continued

25. Interests in unconsolidated entities

Unconsolidated structured entities

The Group operates investment vehicles, such as unit trusts. Clients are able to invest in these directly, but also indirectly through products offered by St. James's Place UK plc and St. James's Place International plc. As a result, the Group's insurance companies can be significant investors in the unit trusts. Note 2 sets out the judgements inherent in determining when the Group controls, and therefore consolidates, the relevant investment vehicles.

The majority of the risk from a change in the value of the Group's investment in unconsolidated unit trusts is matched by a change in unit holder liabilities. The maximum exposure to loss, prior to considering unit holder liabilities, is equal to the carrying value of the investment. This is recognised within investments in Collective Investment Schemes.

The following unit trust is not consolidated within the Group financial statements; however, the Group does act as the fund manager of this unit trust.

	Percentage of ownership interest		Principal place of business	Nature of relationship	Measurement method	Net asset value as at 31 December	
	2024	2023				2024	2023
	%	%				£'Million	£'Million
St. James's Place Property Unit Trust	1.47	1.21	United Kingdom	Manager of unit trust	Fair value through profit or loss	586.8	786.7

As at 31 December 2024 the value of the Group's interests in St. James's Place Property Unit Trust was £8.6 million (2023: £9.6 million).

26. Interests in other entities

Principal subsidiaries

Investment Holding Companies	St. James's Place Wealth Management Group Limited ¹ St. James's Place DFM Holdings Limited ¹
Life Assurance	St. James's Place UK plc St. James's Place International plc (incorporated in Ireland) ² St. James's Place Unit Trust Group Limited
Unit Trust Management Unit Trust Administration and ISA Management Distribution	St. James's Place Investment Administration Limited St. James's Place Wealth Management plc
Management Services	St. James's Place Management Services Limited ³
Treasury Company	St. James's Place Partnership Services Limited
Adviser Acquisitions	St. James's Place Acquisition Services Limited
Asia Distribution	St. James's Place International Distribution Limited
Discretionary Fund Management	Rowan Dartington & Co. Limited

1 Directly held by St. James's Place plc.

2 The Company also operates a branch in Singapore.

3 The Company also operates a branch in the Republic of Ireland.

Ongoing solvency requirements within the life assurance, unit trust and financial services companies of the Group restrict their ability to distribute all their distributable reserves.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

26. Interests in other entities continued

Included below is a full list of the entities within the St. James's Place plc Group at 31 December 2024:

Entity	Company number	Registered office	Country of incorporation	Principal activity	Audit exemption
Cabot Portfolio Nominees Limited	03636010	2610 The Quadrant, Aztec West, Almondsbury, Bristol, England, BS32 4AQ	England and Wales	Nominee company	Yes
Capstone Financial (HK) Limited	1256431	8F Kailey Tower, 16 Stanley Street Central, Hong Kong	Hong Kong	Financial advice	No
CGA Financial & Investment Services Limited	02666180	*	England and Wales	Financial advice	Yes
Dartington Portfolio Nominees Limited	01489542	2610 The Quadrant, Aztec West, Almondsbury, Bristol, England, BS32 4AQ	England and Wales	Nominee company	Yes
Edwards Wealth Ltd	09229694	*	England and Wales	Financial advice	Yes
Fortura Financial Partners Limited (previously Tivoli Private Clients Limited)	14320641	*	England and Wales	Financial advice	Yes
Future Proof Limited	07608319	*	England and Wales	Financial advice	Yes
Ian Cockbain Wealth Management Limited	04639701	*	England and Wales	Financial advice	Yes
Lewington Wealth Management Limited	04290504	*	England and Wales	Financial advice	Yes
Linden House Financial Services Limited	02990295	*	England and Wales	Financial advice	Yes
M.H.S. (Holdings) Limited	00559995	*	England and Wales	Non-trading	Yes
Perennial Financial Management Limited	04609753	*	England and Wales	Financial advice	Yes
Policy Services Limited	SC230167	Oracle Campus, Blackness Road, Linlithgow, West Lothian, EH49 7BF, United Kingdom	Scotland	Financial advice	No
Reflect Financial Limited	04373946	*	England and Wales	Financial advice	Yes
Rowan Dartington & Co. Limited	02752304	*	England and Wales	Stockbroker and investment manager	No
Rowan Dartington Holdings Limited	07470226	*	England and Wales	Holding company	Yes
SJP Legacy Holdings Ltd	SC492906	Oracle Campus, Blackness Road, Linlithgow, West Lothian, EH49 7BF, United Kingdom	Scotland	Holding company	Yes
SJP Partner Loans No. 1 Limited	11390901	10th Floor, 5 Churchill Place, London, E14 5HU, United Kingdom	England and Wales	Securitisation	No
St. James's Place (Hong Kong) Limited	275275	1st Floor, Henley Building, 5 Queen's Road Central, Hong Kong	Hong Kong	Overseas distribution	No
St. James's Place (Middle East) Limited	6826	Gate District Precinct Building 03, Unit Precinct 3-7th Floor-Units 706, 707 & 708 Level 7, Dubai International Financial Centre, United Arab Emirates, PO Box 507256	United Arab Emirates	Overseas distribution	No
St. James's Place (PCP) Limited	02706684	*	England and Wales	Transaction and servicing of SJP income streams	Yes
St. James's Place (Singapore) Private Limited	200406398R	1 Raffles Place, #15-61 One Raffles Place, 048616, Singapore	Singapore	Financial advice	No

Notes to the consolidated financial statements under International Financial Reporting Standards continued

26. Interests in other entities continued

Entity	Company number	Registered office	Country of incorporation	Principal activity	Audit exemption
St. James's Place Acquisition Services Limited	07730835	*	England and Wales	Adviser acquisitions	Yes
St. James's Place Corporate Secretary Limited	09131866	*	England and Wales	Corporate secretary	Yes
St. James's Place DFM Holdings Limited	09687687	*	England and Wales	Holding company	Yes
St. James's Place International (Hong Kong) Limited	2207694	1st Floor, Henley Building, 5 Queen's Road Central, Hong Kong	Hong Kong	Life assurance	No
St. James's Place International Distribution Limited	08798683	*	England and Wales	Holding company	Yes
St. James's Place International plc	185345	Fleming Court, Flemings Place, Dublin 4, Ireland	Ireland	Life assurance	No
St. James's Place Investment Administration Limited	08764231	*	England and Wales	Unit trust administration and ISA manager	No
St. James's Place Management Services Limited	02661044	*	England and Wales	Management services	No
St. James's Place Nominees Limited	08764214	*	England and Wales	Nominee company	Yes
St. James's Place Partnership Services Limited	08201211	*	England and Wales	Treasury company	No
St. James's Place UK plc	02628062	*	England and Wales	Life assurance	No
St. James's Place Unit Trust Group Limited	00947644	*	England and Wales	Unit trust management	No
St. James's Place Wealth Management (Shanghai) Limited	1511517	1st Floor, Henley Building, 5 Queen's Road Central, Hong Kong	Hong Kong	Overseas distribution	No
St. James's Place Wealth Management Group Limited	02627518	*	England and Wales	Holding company	No
St. James's Place Wealth Management International Pte. Ltd	201323453N	1 Raffles Place, #15-61 One Raffles Place, 048616, Singapore	Singapore	Holding company	No
St. James's Place Wealth Management plc	04113955	*	England and Wales	UK distribution	No
Technical Connection Limited	03178474	*	England and Wales	Tax and advisory services	Yes
Tring Financial Management Limited	05487108	*	England and Wales	Policy administration	Yes
Virtue Money Limited	SC346827	Oracle Campus, Blackness Road, Linlithgow, West Lothian, EH49 7BF, United Kingdom	Scotland	Holding company	Yes

* Indicates that the registered office is St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire, GL7 1FP.

Notes to the consolidated financial statements under International Financial Reporting Standards continued

26. Interests in other entities continued

Where indicated in the table, subsidiaries of St. James's Place plc have taken advantage, or are expected to take advantage, of the exemption from statutory audit granted by section 479A of the Companies Act 2006. In accordance with section 479C, St. James's Place plc has guaranteed all the outstanding liabilities as at 31 December 2024 of these companies.

All Group companies have an accounting reference date of 31 December. The tax residency of each subsidiary is the same as the country of incorporation.

100% of the equity share capital is held for the subsidiaries listed in the preceding table, with the exception of:

- ◆ SJP Partner Loans No. 1 Limited (11390901), where 100% of the equity share capital is held by a third-party entity outside the Group. Note that all assets and liabilities of SJP Partner Loans No.1 Limited are restricted and ring-fenced from the other assets and liabilities of the Group.
- ◆ Lewington Wealth Management Limited (04290504) where 25% of the equity share capital is held by a third-party entity outside the Group.

Following an assessment of control in accordance with IFRS 10 it was determined that SJP Partner Loans No. 1 Limited and Lewington Wealth Management Limited are controlled by the Group and thus consolidated.

In addition, the Group financial statements consolidate the following unit trusts, all of which are registered in England and Wales. The registered address of the unit trust manager, St. James's Place Unit Trust Group Limited, is St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire GL7 1FP, United Kingdom.

St. James's Place Adventurous Growth Unit Trust
 St. James's Place Adventurous International Growth Unit Trust
 St. James's Place Asia Pacific Unit Trust
 St. James's Place Balance InRetirement Unit Trust
 St. James's Place Balanced Growth Unit Trust
 St. James's Place Balanced International Growth Unit Trust
 St. James's Place Balanced Managed Unit Trust
 St. James's Place Conservative Growth Unit Trust
 St. James's Place Conservative International Growth Unit Trust
 St. James's Place Continental European Unit Trust
 St. James's Place Corporate Bond Unit Trust
 St. James's Place Diversified Assets (FAIF) Unit Trust
 St. James's Place Diversified Bond Unit Trust
 St. James's Place Emerging Markets Equity Unit Trust
 St. James's Place Global Absolute Return Unit Trust
 St. James's Place Global Emerging Markets Unit Trust
 St. James's Place Global Equity Unit Trust
 St. James's Place Global Government Bond Unit Trust
 St. James's Place Global Government Inflation Linked Bond Unit Trust
 St. James's Place Global Growth Unit Trust
 St. James's Place Global High Yield Bond Unit Trust
 St. James's Place Global Quality Unit Trust
 St. James's Place Global Smaller Companies Unit Trust
 St. James's Place Global Unit Trust
 St. James's Place Global Value Unit Trust
 St. James's Place Greater European Progressive Unit Trust
 St. James's Place Growth InRetirement Unit Trust
 St. James's Place International Equity Unit Trust
 St. James's Place Investment Grade Corporate Bond Unit Trust
 St. James's Place Japan Unit Trust
 St. James's Place Managed Growth Unit Trust
 St. James's Place Money Market Unit Trust
 St. James's Place North American Unit Trust
 St. James's Place Polaris 1 Unit Trust
 St. James's Place Polaris 2 Unit Trust
 St. James's Place Polaris 3 Unit Trust
 St. James's Place Polaris 4 Unit Trust
 St. James's Place Prudence InRetirement Unit Trust
 St. James's Place Strategic Income Unit Trust
 St. James's Place Strategic Managed Unit Trust
 St. James's Place Sustainable & Responsible Equity Unit Trust
 St. James's Place UK Equity Income Unit Trust
 St. James's Place UK Unit Trust
 St. James's Place Worldwide Income Unit Trust

Notes to the consolidated financial statements under International Financial Reporting Standards continued

26. Interests in other entities continued

Individually immaterial associates

The Group also has interests in individually immaterial associates that are accounted for using the equity method.

	31 December 2024	31 December 2023
	£'Million	£'Million
Aggregate carrying value of individually immaterial associates	21.9	10.2
Aggregate amounts of the Group's share of total comprehensive income	0.3	0.1

27. Related-party transactions

Transactions with associates and non-wholly-owned subsidiaries

Associates

Outstanding at the year-end were business loans of £11.9 million (2023: £2.9 million) to associates of the Group. During the year £8.9 million (2023: £1.6 million) was advanced and £4.3 million (2023: £1.8 million) was repaid. Business loans to associates are interest-bearing (linked to the Bank of England base rate plus a margin) and repayable in line with the terms of the loan contract. Interest of £0.6 million was received during 2024 (2023: £nil).

In addition, commission, advice fees and other payments of £10.0 million were paid (2023: £2.3 million paid), under normal commercial terms, to associates of the Group. The outstanding amount at 31 December 2024 was £0.7 million payable (2023: £0.5 million payable).

Non-wholly owned subsidiaries

Commission, advice fees and other payments of £4.3 million were paid (2023: £3.8 million paid), under normal commercial terms, to non-wholly-owned Group companies. The outstanding amount at 31 December 2024 was £0.5 million payable (2023: £0.6 million payable).

Transactions with key management personnel

Key management personnel have been defined as the Board of Directors and members of the Group Executive Committee. The remuneration paid to the Board of Directors of St. James's Place plc is set out in the Directors' remuneration report, in addition to the disclosure in this note.

The Directors' remuneration report also sets out transactions with the Directors under the Group's share-based payment schemes, together with details of the Directors' interests in the share capital of the Company.

Compensation of key management personnel is as follows:

	Year ended 31 December 2024	Year ended 31 December 2023
	£'Million	£'Million
Short-term employee benefits	10.2	5.0
Post-employment benefits	0.6	0.5
Share-based payments	(0.7)	0.2
Total	10.1	5.7

The total value of Group FUM held by related parties of the Group as at 31 December 2024 was £25.2 million (2023: £17.9 million). The total value of St. James's Place plc dividends paid to related parties of the Group during the year was £0.2 million (2023: £1.0 million).

During 2022 the Group acquired Edwards Wealth Ltd, under normal commercial terms, from key management personnel and their connected parties. As at 31 December 2024 there was deferred contingent consideration outstanding of £nil (2023: £nil), with £nil deferred contingent consideration paid during the year (2023: £3.2 million).

Commission, advice fees and other payments of £1.3 million (2023: £1.3 million) were paid, under normal commercial terms, to St. James's Place advisers who were related parties by virtue of being connected persons with key management personnel. The outstanding amount payable at 31 December 2024 was £0.1 million (2023: £nil).

Outstanding at the year-end were Partner loans of £nil (2023: £nil) due from St. James's Place advisers who were related parties by virtue of being connected persons with key management personnel. The Group either advanced, or guaranteed, these loans. During the year £nil (2023: £nil) was advanced and £nil (2023: £0.1 million) was repaid by advisers who were related parties.

28. Events after the end of the reporting period

On 13 February 2025 the Group made an irrevocable commitment to repay all of the fully drawn £250.0 million bridging loan. The repayment is due on 27 February 2025.

Parent Company financial statements

Parent Company statement of financial position _____	200
Parent Company statement of changes in equity _____	201
Notes to the Parent Company financial statements _____	202

Parent Company statement of financial position

Registered number: 03183415

	Note	As at	As at
		31 December 2024	31 December 2023
		£'Million	£'Million
Investment in subsidiaries	3	2,102.4	1,576.2
Current assets			
Amounts owed by Group undertakings	7	274.8	143.8
Corporation tax assets		0.1	–
Other receivables		0.1	–
Current liabilities			
Corporation tax liabilities		–	(5.0)
Net current assets		275.0	138.8
Amounts due to Group undertakings	7	(201.3)	–
Net assets		2,176.1	1,715.0
Equity			
Share capital	4	81.6	82.3
Share premium		233.9	233.9
Capital redemption reserve	4	0.7	–
Share option reserve		290.7	279.5
Miscellaneous reserves		0.1	0.1
Retained earnings		1,569.1	1,119.2
Total shareholders' funds		2,176.1	1,715.0

In publishing the Parent Company financial statements, the Company has taken advantage of the exemption in section 408 of the Companies Act 2006 not to present its individual income statement and related notes that form part of these Parent Company financial statements. The Company is not required to present a statement of comprehensive income. The Company's profit after tax for the financial year was £559.6 million (2023: £331.4 million) which can be seen in the statement of changes in equity.

The Parent Company financial statements on pages 200 to 205 were approved by the Board of Directors on 26 February 2025 and signed on its behalf by:

Mark FitzPatrick
Chief Executive Officer

Caroline Waddington
Chief Financial Officer

The Notes and information on pages 202 to 205 form part of these Parent Company financial statements.

Parent Company statement of changes in equity

	Note	Share capital £'Million	Share premium £'Million	Capital redemption reserve £'Million	Share option reserve £'Million	Miscellaneous reserves £'Million	Retained earnings £'Million	Total shareholders' funds £'Million
At 1 January 2023		81.6	227.8	–	274.1	0.1	1,077.4	1,661.0
Profit and total comprehensive income for the year		–	–	–	–	–	331.4	331.4
Dividends	6	–	–	–	–	–	(289.6)	(289.6)
Exercise of options	4	0.7	6.1	–	–	–	–	6.8
Cost of share options expensed in subsidiaries		–	–	–	5.4	–	–	5.4
At 31 December 2023		82.3	233.9	–	279.5	0.1	1,119.2	1,715.0
Profit and total comprehensive income for the year		–	–	–	–	–	559.6	559.6
Dividends	6	–	–	–	–	–	(76.6)	(76.6)
Shares repurchased in the buy-back programme	4	(0.7)	–	0.7	–	–	(33.1)	(33.1)
Cost of share options expensed in subsidiaries		–	–	–	11.2	–	–	11.2
At 31 December 2024		81.6	233.9	0.7	290.7	0.1	1,569.1	2,176.1

The Notes and information on pages 202 to 205 form part of these Parent Company financial statements.

Notes to the Parent Company financial statements

1. Accounting policies

Basis of preparation

St. James's Place plc (the Company) is a public company limited by shares which is incorporated and registered in England and Wales, domiciled in the United Kingdom and whose shares are publicly traded. The Company offers a range of insurance, investment and other wealth management services through its subsidiaries, which are incorporated in the UK, Ireland, Middle East and Asia.

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

The preparation of these financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies. No significant accounting judgements have been made.

Adoption of new and amended accounting standards

There were no new or amended accounting standards adopted as of 1 January 2024.

FRS 101 – reduced disclosure exemptions

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

- ♦ the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment
- ♦ the requirements of IFRS 7 Financial Instruments: Disclosures
- ♦ the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement
- ♦ the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1
- ♦ the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- ♦ the requirements of IAS 7 Statement of Cash Flows
- ♦ the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- ♦ the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- ♦ the requirements in IAS 24 Related Party Disclosures to disclose related-party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- ♦ the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairment of Assets, provided that equivalent disclosures are included in the consolidated financial statements of the group, in which the entity is consolidated.

Going concern

The Company is a non-trading investment holding company which has positive net assets. 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 set out in Note 1 to the consolidated financial statements. The Board believes the Company will continue to be in business, with neither the intention nor the necessity of liquidation, ceasing trading or seeking protection from creditors pursuant to laws or regulations, for a period of at least 12 months from the date of approval of the company financial statements. As a result, the Company continues to adopt the going concern basis in preparing these financial statements.

Significant accounting policies

The following principal accounting policies have been applied consistently to all the years presented.

(a) Investment return

Investment return comprises dividends from subsidiaries. Interim dividends are accounted for when received. Final dividends are accounted for when the dividend has been declared and approved by the subsidiary.

(b) Taxation

Taxation is based on profits and income for the year as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior years.

(c) Investment in subsidiaries

Investments in subsidiaries are carried at cost stated after any impairment losses, plus the cost of equity-settled share awards granted by the Company of its own shares.

(d) 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 its financial assets 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. The most significant category of financial assets held at amortised cost for the Company is amounts owed by Group undertakings. 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 relevant financial assets, with due consideration given to forward looking information.

Notes to the Parent Company financial statements continued

1. Accounting policies continued

Financial liabilities

The Company classifies all of its financial 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 expensed over the period to repayment is at a constant rate on the balance of the liability carried into the Statement of Financial Position.

2. Income from shares in Group undertakings

Dividend income received during the year was £560.0 million (31 December 2023: £315.0 million).

3. Investment in subsidiaries

	Cost ¹	Share awards	Impairment provision ¹	Net book value
	£'Million	£'Million	£'Million	£'Million
At 1 January 2023 ¹	1,104.7	274.1	–	1,378.8
Share awards granted	–	5.4	–	5.4
Share capital injection	7.0	–	–	7.0
Capital contribution	185.0	–	–	185.0
At 31 December 2023	1,296.7	279.5	–	1,576.2
Share awards granted	–	11.2	–	11.2
Share capital injection	370.0	–	–	370.0
Capital contribution	145.0	–	–	145.0
At 31 December 2024	1,811.7	290.7	–	2,102.4

¹ Cost and Impairment provision have been restated to reflect the dissolution of Cirencio Limited (Registered number: 01773177) on 23 August 2022. The restatement decreased Cost by £181.9 million and increased Impairment provision by the same amount.

The investment in subsidiaries' net book value is broken down as follows:

	31 December 2024	31 December 2023
	£'Million	£'Million
St. James's Place Wealth Management Group Limited	1,704.1	1,189.1
St. James's Place DFM Holdings Limited	107.6	107.6
Directly held investments	1,811.7	1,296.7
St. James's Place Management Services Limited	221.1	210.5
St. James's Place Wealth Management plc	62.1	62.1
Rowan Dartington & Co. Limited	6.4	5.8
St. James's Place International plc	0.9	0.9
Technical Connection Limited	0.2	0.2
Investments held due to share awards granted	290.7	279.5
Total	2,102.4	1,576.2

During the year the Company made a capital contribution of £145.0 million (2023: £185.0 million) to St. James's Place Wealth Management Group Limited and purchased £370.0 million ordinary shares in its subsidiary undertaking, St. James's Place Wealth Management Group Limited.

The carrying value of the investment in subsidiaries is reviewed at least annually for impairment, or when circumstances or events indicate there may be uncertainty over its value. The investments are supported by the value in use of the subsidiaries. The key assumptions used are the value of in-force business together with a discount rate of 7.8% (2023: 6.3%). It is considered that any reasonably possible levels of change in the key assumptions would not result in an impairment.

4. Share capital

	Number of ordinary shares	Called-up share capital
		£'Million
At 1 January 2023	544,235,757	81.6
– Issue of shares	–	–
– Exercise of options	4,369,037	0.7
At 31 December 2023	548,604,794	82.3
– Issue of shares	–	–
– Exercise of options	–	–
– Shares repurchased in the buy-back programme	(4,590,083)	(0.7)
At 31 December 2024	544,014,711	81.6

Notes to the Parent Company financial statements continued

4. Share capital continued

Ordinary shares have a par value of 15 pence per share (2023: 15 pence per share) and are fully paid. The Company received consideration of £nil (2023: £6.8 million) for the shares issued during the year, including those issued to satisfy the exercise of options.

During the year, the Company repurchased and cancelled 4,590,083 shares (2023: nil) for a total consideration of £32.9 million (2023: £nil) and incurred transaction costs of £0.2 million (2023: £nil). The cancelled shares, which had a nominal value of £0.7 million (2023: £nil), have been reflected as a decrease in share capital and a corresponding increase in the capital redemption reserve as required by the Companies Act 2006.

5. Auditors' remuneration

The total audit fee in respect of the Group is set out in Note 5 to the consolidated financial statements. The audit fee charged to the Company for the year ended 31 December 2024 is £33,316 (2023: £31,730), which is borne by another entity within the Group.

6. Dividends

The following dividends have been paid by the Company:

	Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
	Pence per share	Pence per share	£'Million	£'Million
Final dividend in respect of 2022	–	37.19	–	203.1
Interim dividend in respect of 2023	–	15.83	–	86.5
Final dividend in respect of 2023	8.00	–	43.8	–
Interim dividend in respect of 2024	6.00	–	32.8	–
Total dividends	14.00	53.02	76.6	289.6

In respect of 2024 the Directors have recommended a 2024 final dividend of 12.00 pence per share. This amounts to £65.3 million based on the number of shares in issue on 31 December 2024 and will, subject to shareholder approval at the Annual General Meeting, be paid on 23 May 2025 to those shareholders on the register as at 11 April 2025.

In addition, under the authority granted by shareholders at the 2024 Annual General Meeting, the Directors have resolved to undertake a final share buy-back programme in respect to 2024, committing to purchase shares up to a maximum value of £92.6 million. The share buy-back will commence on 28 February 2025. This is in addition to the interim share buy-back in respect to 2024 of £32.9 million, which is referenced above.

7. Related-party transactions and balances

At the year-end the following related-party balances existed, in addition to the investments in subsidiaries which are set out in Note 3.

	31 December 2024	31 December 2023
	£'Million	£'Million
Amounts owed by Group undertakings		
St. James's Place Partnership Services Limited	274.8	143.8
Total	274.8	143.8

The amounts owed by Group undertakings are loans granted by the Company which are unsecured and repayable on demand. The loans incur interest at an agreed rate above the Bank of England's base rate, as stated in the loan agreements.

Amounts owed by Group undertakings continue to be classified as performing; see accounting policy (d).

	31 December 2024	31 December 2023
	£'Million	£'Million
Amounts due to Group undertakings		
St. James's Place UK plc	(201.3)	–
Total	(201.3)	–

Amounts due to Group undertakings are unsecured with a variable interest rate and repayable after ten years.

During the year, the Company received £560.0 million (2023: £315.0 million) of dividends from subsidiary undertakings. The total value of St. James's Place funds under management (FUM) held by related parties of the Company as at 31 December 2024 was £25.2 million (2023: £17.5 million). The total value of dividends paid to related parties of the Company during the year was £0.2 million (2023: £1.0 million).

The following wholly-owned subsidiaries of St. James's Place plc have taken advantage, or are expected to take advantage, of the exemption from statutory audit granted by section 479A of the Companies Act 2006.

Notes to the Parent Company financial statements continued

7. Related-party transactions and balances continued

In accordance with section 479C, St. James's Place plc has therefore guaranteed all the outstanding liabilities as at 31 December 2024 of:

Cabot Portfolio Nominees Limited	03636010
CGA Financial & Investment Services Limited	02666180
Dartington Portfolio Nominees Limited	01489542
Edwards Wealth Ltd	09229694
Fortura Financial Partners Limited (previously Tivoli Private Clients Limited}	14320641
Future Proof Limited	07608319
Ian Cockbain Wealth Management Limited	04639701
Lewington Wealth Management Limited	04290504
Linden House Financial Services Limited	02990295
M.H.S. (Holdings) Limited	00559995
Perennial Financial Management Limited	04609753
Reflect Financial Limited	04373946
Rowan Dartington Holdings Limited	07470226
SJP Legacy Holdings Ltd	SC492906
St. James's Place (PCP) Limited	02706684
St. James's Place Acquisition Services Limited	07730835
St. James's Place Corporate Secretary Limited	09131866
St. James's Place DFM Holdings Limited	09687687
St. James's Place International Distribution Limited	08798683
St. James's Place Nominees Limited	08764214
Technical Connection Limited	03178474
Tring Financial Management Limited	05487108
Virtue Money Limited	SC346827

8. Directors' emoluments

The Directors' responsibilities relate primarily to the trading companies of the Group and accordingly their costs are charged to those companies and none are met by the Parent Company. Disclosure of the Directors' emoluments is made within the Directors' remuneration report.

9. Company information

In the opinion of the Directors there is not considered to be any ultimate controlling party. Copies of the consolidated financial statements of St. James's Place plc may be obtained from the Company Secretary, St. James's Place plc, St. James's Place House, 1 Tetbury Road, Cirencester, Gloucestershire GL7 1FP, United Kingdom.

10. Events after the end of the reporting period

On 26 February 2025 the Company's subsidiary undertaking, St. James's Place Wealth Management Group Limited, declared a dividend of £400.0 million.

Other information

Shareholder information _____	207
How to contact us and our advisers ____	208
Aligning our progress with recognised frameworks _____	209
Full emissions disclosure _____	213
Glossary of alternative performance measures _____	215
Glossary of terms _____	218



Invaluable advice for following your dreams

The sudden death of her sister made Claire Smith, 45, re-evaluate her life. She tells us how setting up her own business has improved her work-life balance and how her trusted financial adviser has helped to secure her financial future. Meanwhile, her daughter, Georgia, 18, is following in her mum's entrepreneurial footsteps.

[→ Watch and read Claire and Georgia's and other stories](#)

75%

Of people who have received financial advice **would recommend it to others.**

[→ Find out more in our Real Life Advice Report](#)

Shareholder information

Analysis of shareholder holdings as of 31 December 2024

Analysis by number of shares	Holders	Percentage	Shares held	Percentage
1–999	1,851	49.47%	637,013	0.12%
1,000–9,999	1,340	35.82%	3,829,616	0.70%
10,000–99,999	295	7.89%	10,016,189	1.84%
100,000 and above	255	6.82%	529,531,893	97.34%
	3,741	100.00%	544,014,711	100.00%

2025 financial calendar

Ex-dividend date for 2024 final dividend	10 April 2025
Record date for 2024 final dividend	11 April 2025
Announcement of first quarter new business	24 April 2025
Annual General Meeting	13 May 2025
Payment date for 2024 final dividend	23 May 2025
Announcement of half-year results and second quarter new business	31 July 2025
Ex-dividend date for 2025 interim dividend	7 August 2025
Record date for 2025 interim dividend	8 August 2025
Payment date for 2025 interim dividend	19 September 2025
Announcement of third quarter new business	23 October 2025

The above dates are subject to change and further information on the 2025 financial calendar can be found on the shareholders section of the Company's website, at sjp.co.uk/financial-calendar.

Dividend Reinvestment Plan

If you would prefer to receive new shares instead of cash dividends, please complete a Dividend Reinvestment Plan (DRIP) form, which is available from our Registrars, Computershare Investor Services PLC. Their contact details are overleaf.

Dividend mandate

Shareholders can arrange to have their dividends paid directly into their bank or building society account by completing a bank mandate form. The advantages to using this service are: the payment is more secure than sending a cheque through the post; it avoids the inconvenience of paying in a cheque; and it reduces the risk of lost, stolen or out-of-date cheques. A mandate form can be obtained from Computershare or you will find one on the reverse of your last dividend confirmation.

Share dealing

A postal and web-based dealing service has been established with the Registrars, Computershare Investor Services PLC, which provides shareholders with a simple way of buying and selling St. James's Place plc shares on the London Stock Exchange. Further information about share dealing services can be obtained by logging on to: www-uk.computershare.com/Investor/#ShareDealingInfo.

Electronic communications

If you would like to have access to shareholder communications such as the Annual Report and Accounts and the Notice of Annual General Meeting through the internet rather than receiving them by post, please register at www.investorcentre.co.uk/ecomms.

How to contact us and our advisers

How to contact us

Registered office

St. James's Place House
1 Tetbury Road
Cirencester
Gloucestershire
GL7 1FP
Tel: 01285 640302

sjp.co.uk

Chair

Paul Manduca
Email: chair@sjp.co.uk

Chief Executive Officer

Mark FitzPatrick
Email: ceooffice@sjp.co.uk

Chief Financial Officer

Caroline Waddington
Email: cfooffice@sjp.co.uk

Company Secretary

Jonathan Dale
Email: jonathan.dale@sjp.co.uk

Client services

Sharon Rowe
Tel: 01285 878921
Email: sharon.rowe@sjp.co.uk

Analyst enquiries

Hugh Taylor
Email: hugh.taylor@sjp.co.uk

Media enquiries

St. James's Place
Angela Warburton
Tel: 07912 281502
Email: angela.warburton@sjp.co.uk

Brunswick Group

Eilis Murphy/Charles Pretzlik
Tel: 020 7404 5959
Email: sjp@brunswickgroup.com

Advisers

Registrar and transfer office

Computershare Investor Services PLC

The Pavilions
Bridgwater Road
Bristol
BS99 6ZZ
Tel: 0370 702 0197
Email: webqueries@computershare.co.uk

www.investorcentre.co.uk/contactus

Independent auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
2 Glass Wharf
Bristol
BS2 0FR

Brokers

J.P. Morgan Cazenove Limited





25 Bank Street
London
E14 5JP

Bank of America Securities Incorporated


2 King Edward Street
London
EC1A 1HQ

Aligning our progress with recognised frameworks

We want to make it easy for all our stakeholders to understand the work we are doing and how we are measuring our performance. We are aligning our approach to key external frameworks which help broaden our impact. In 2018, we aligned to the United Nations Sustainable Development Goals (UNSDGs) as a blueprint to achieve a better and more sustainable future for all. Within our Responsible Business Framework, our material topics each contribute to progress against the UNSDGs. We believe we can have the greatest impact on the six UNSDGs listed below.

SDG	Our promise and progress	SDG	Our promise and progress
 <p>Target 4.4</p> <p>By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills for employment, decent jobs and entrepreneurship.</p>	<p>Our promise</p> <p>To improve money management in the next generation by supporting schools and other organisations to deliver financial education to children and young people. Alongside this, we aim to provide our advisers with the resources and knowledge to teach financial education in their local community.</p> <p>To provide relevant financial skills and education to our clients to give them the confidence to create the future they want.</p> <p>Our progress</p> <p>Throughout the year, we continued to grow our partnership with national charity Young Money. In 2022 we committed to sponsoring the development of 21 'Centres of Excellence' over the next three years, equipping schools – predominantly in areas of deprivation – to deliver a robust financial education curriculum. All schools have now been onboarded to the programme with three schools achieving accredited status.</p> <p>We continued our support of RedSTART's 'Change the Game' programme, a longitudinal study into the impact of embedding financial education into the national curriculum.</p> <p>Collaboration with key industry leaders including The Investing and Saving Alliance (TISA), Money and Pensions Service (MaPS) and The Centre for Financial Capability has enabled us to influence policy.</p>	 <p>Target 8.5</p> <p>By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p>	<p>Our promise</p> <p>To invest in our employees through training and development.</p> <p>To increase the aspirations of young people by working with schools and charities to support employability and provide positive work experiences. To support social mobility diversity in financial services, we actively seek to support disadvantaged young people into financial services careers.</p> <p>Our progress</p> <p>In 2023, we continued to equip and empower employees to grow their career through our comprehensive curriculum guides, workshops, virtual reality training and bespoke leadership blueprint.</p> <p>We remain an accredited Real Living Wage employer and conduct regular equal pay reviews to ensure that we are paying employees doing like-for-like roles equally. We are a Disability Confident employer and were reaccredited with Leader status in 2023.</p> <p>During 2024, other examples of engagement included mentoring young people from less advantaged backgrounds in the delivery of social action projects reaching 61 young people, and supporting a targeted work experience and mentoring programme in wealth and asset management for young people in lower socio-economic areas.</p>
 <p>Target 5.5</p> <p>Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>	<p>Our promise</p> <p>To ensure equal opportunities for women through our inclusion and diversity programmes and by ensuring we align to national commitments.</p> <p>Our progress</p> <p>In 2024, we reached 50% female representation on the Board and launched our updated women in senior roles target of 40% by 2028, reaching 37.3% at the end of 2024.</p> <p>We continued our commitment to support mentoring programmes for women facilitating the 30% Club cross-sector mentoring programme supporting female development. We offered 20 mentors and matched 20 female mentees with mentors outside of the company.</p> <p>We also launched mandatory Equality Act training, reinforcing inclusion and fairness as core values, ensuring equality transcends compliance and defines SJP's culture.</p>	 <p>Target 9.2</p> <p>Promote inclusive and sustainable industrialisation and, by 2030, significantly raise industry's share of employment and gross domestic product, in line with national circumstances, and double its share in least developed countries.</p>	<p>Our promise</p> <p>To encourage responsible practice among our suppliers and fund managers in the areas of environmental impact, societal impact and governance.</p> <p>To support our Partner practices in operating responsibly and aligning to national standards.</p> <p>Our progress</p> <p>In 2024, we continued to highlight sustainability considerations in our due diligence, conversations with suppliers, and within our investment management approach.</p> <p>Where possible, we aim to procure through small, local suppliers to support our communities. We launched a targeted supplier engagement programme in 2024, starting to have meaningful conversations around our long-term sustainability aspirations and the role suppliers and third parties will play in helping to achieve these aims.</p> <p>We have worked with sector and industry initiatives to inform and shape our strategy on inclusion and sustainability. Educating and engaging SJP Partners to ensure they can share our journey with our clients with transparency.</p>

Aligning our progress with recognised frameworks continued

SDG	Our promise and progress
 <p>Target 10.2 By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.</p>	<p>Our promise To support the St. James's Place Charitable Foundation, through funding and volunteering, as its grants support charities that reduce social inequality and promote economic inclusion.</p> <p>To support employability programmes throughout our business.</p> <hr/> <p>Our progress In 2024, the SJP community raised £8.95 million for the SJP Charitable Foundation. The Charitable Foundation distributed £8.8 million to 981 charities during the year to support inclusion and social mobility. In addition, a further £5.3 million was pledged to support ongoing service delivery, embedding and developing services over the next three years.</p> <p>We continued to build on our inclusion and employability partnerships, including The Diversity Project, LGBT Great, Stonewall, GAIN, Career Returners, the Aleto Foundation, Progress Together, the Business Disability Forum and Disability Confident.</p>
 <p>Target 13.2 Integrate climate change measures into national policies, strategies and planning.</p>	<p>Our promise To control and reduce our environmental impact and promote sustainable business practices.</p> <hr/> <p>Our progress We are pleased to have implemented policies aimed at curbing business travel, which have reduced our flight emissions by 33%. We continued the sustainable transition of our fleet, with 93% of company vehicles now being hybrid or fully electric. The carbon intensity of our investment universe also continues to improve, down over 40%¹ compared to our baseline year (2019). We remain committed to our Group net zero by 2050 goal, but recognise our interim targets need to be revised to reduce our reliance on carbon offsetting. We aim to launch new short-term operational and investment emissions targets in 2025.</p>

¹ This metric covers approximately 89% of our overall FUM as at 31 December 2024. 89% represents the total market value of the funds considered in the reduction of weighted average carbon intensity calculations, expressed as a proportion of the total AUM for SJP's core fund range. This includes all funds investing predominantly in equity and debt for listed corporates, as well as third-party funds held within funds of funds.

Memberships and partnerships

We collaborate with several external initiatives for guidance, advice and direction on various sustainability issues. These have influenced our investment strategy, engagement activities, approach to educating colleagues, and assessment of our overarching responsible business goals. We are proud to be members and supporters of many organisations driving change, including those shown below.



FTSE4Good



Signatory of



Principles for Responsible Investment

Signatory of



Aligning our progress with recognised frameworks continued

Sustainability Accounting Standards Board

We are pleased to continue to align our responsible business reporting to the Sustainability Accounting Standards Board (SASB) framework for our industry. The standards offer a consistent method of reporting and we engage with the framework for the benefit of all our stakeholders, sharing sustainability data in a consistent and transparent way.



Given our focus on wealth management we have responded to the reporting standards under the Asset Management & Custody Activities.

Topic	Accounting metric	2024 status	Code
Transparent information & fair advice for customers	(1) Number and (2) percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	We publish complaints data half-yearly which can be found on our website at sjp.co.uk/how-to-make-a-complaint . We do not currently publish further information.	FN-AC-270a.1
	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial-product-related information to new and returning customers	We do not currently publish this.	FN-AC-270a.2
	Description of approach to informing customers about products and services	Before any advice is provided, our advisers must inform clients about the products and services we offer. This is a closely regulated area in the UK and we are fully compliant. We publish numerous supporting documents, available on our website.	FN-AC-270a.3
Employee Diversity and Inclusion	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	This data breakdown can be found in the our responsible business section.	FN-AC-330a.1
Incorporation of environmental, social and governance factors in investment management and advisory	Amount of assets under management, by asset class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) sustainability-themed investing, and (3) screening	<ol style="list-style-type: none"> 100% of SJP manufactured funds employ some degree of ESG integration. All funds must meet our minimum standards which includes being a UN Principles of Responsible Investment (UNPRI) signatory. We believe integration is the consideration of ESG risk and opportunity, but we do not rely upon divestment other than in extreme circumstances. £5.0 billion (Sustainable and Responsible Equity Fund). Due to a transcription error 2023 figure is amended from £5.5million to £5.4billion) Our general approach is for engagement rather than divestment with companies to drive positive change over the longer term. However we do have an exclusions policy which covers all of our manufactured funds, where applicable. Our exclusions policy can be found on our website at sjp.co.uk/responsibleinvesting. 	FN-AC-410a.1
	Description of approach to incorporation of environmental, social and governance (ESG) factors in investment and/or wealth management processes and strategies	Responsible investing is an important component in creating long-term value for our clients. Our approach to responsible investing can be found on our website at sjp.co.uk/responsibleinvesting .	FN-AC-410a.2
	Description of proxy voting and investee engagement policies and procedures	<p>Details on proxy voting and investee engagement policies and procedures are publicly disclosed in our:</p> <ul style="list-style-type: none"> Stewardship and Engagement report Stewardship, engagement and shareholder voting policy. <p>These and further statements can be found on our website at sjp.co.uk/responsibleinvesting.</p>	FN-AC-410a.3

Aligning our progress with recognised frameworks continued

Sustainability Accounting Standards Board continued

Topic	Accounting metric	2024 status	Code
Business ethics	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behaviour, market manipulation, malpractice, or other related financial industry laws or regulations	<p>Fraud: There have been no losses that fall within the definition of 'legal proceedings' outlined in the SASB criteria.</p> <p>We hold data on monetary loss in respect of fraud, but this is categorised as a 'loss' due to our corporate decision to reimburse our clients for any losses suffered as a result of fraud. The frauds generally materialise as a result of adviser negligence, premeditated intent or a mistake at one of our administration centres and we reimburse these instances of fraud. This data is not disclosed publicly.</p> <p>Malpractice: We currently hold data on the monetary losses accrued in respect of claims brought against SJP by clients for negligent financial advice provided to clients by our advisers.</p> <p>We do not disclose this publicly, and some litigation claims have strict non-disclosure agreements. We are progressing our significant programme of work to review historic client servicing records. More information in the Chief Executive Officer's report section.</p> <p>We are not currently aware of any litigation in relation to anti-trust, anti-competitive behaviour or market manipulation that we would be required to disclose.</p> <p>Insider trading: There have been no losses as a result of insider trading claims.</p>	FN-AC-510a.1
	Description of whistleblowing policies and procedures	<p>This is discussed in the Our responsible business section.</p> <p>Further details can be found in our speak up policy, which is available to members of our internal community through the SJP intranet and, for external parties, can be found on our website at sjp.co.uk/corporate-governance.</p>	FN-AC-510a.2
Activity	(1) Total registered and (2) total unregistered assets under management (AUM)	<p>(1) £0</p> <p>(2) £190.2 billion</p> <p>The majority of AUM is retail unit trusts authorised by the FCA in the UK, with the balance primarily being insurance company assets.</p>	FN-AC-000.A
	Total assets under custody and supervision	Our closing 2024 funds under management stood at £190.2 billion.	FN-AC-000.B
Financed emissions	Absolute gross financed emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	We do not currently disaggregate the emissions of our investment portfolio by Scopes 1, 2, and 3.	FN-AC-410b.1
	Total amount of assets under management (AUM) included in the financed emissions disclosure	£154.9 billion	FN-AC-410b.2
	Percentage of total assets under management (AUM) included in the financed emissions calculation	In 2024 this is approximately 84% of AUM. This 84% reflects the percentage of NAV of the funds included in SJP's total financed emissions, measured as a proportion of the total AUM for SJP's core fund range. This covers all funds investing predominantly in equity and debt for listed corporates but excludes the third-party funds held within fund of funds.	FN-AC-410b.3
	Description of the methodology used to calculate financed emissions	We use carbon emissions data provided by MSCI. Emissions from our investments are calculated by allocating emissions to us based on how much of the company our funds own.	FN-AC-410b.4

Full emissions disclosure

Category	Scope	2023/24	2022/23	2018 (baseline)
Scope 1	Natural gas	507	500	–
	Company vehicles	84	71	–
	Other fuels	6	2	–
	Total Scope 1 emissions (tCO₂e)	597	573	835
Scope 2	Scope 2 (Location-based) emissions (tCO ₂ e)	1,761	1,497	2,004
	Scope 2 (Market-based) emissions (tCO ₂ e)	852	689	168
Scope 3	Category 1: Purchased goods & services ¹	74,289	68,383	–
	Category 2: Capital goods ²	4,222	8,240	–
	Category 3: Fuel- and energy-related activities	677	577	657
	Category 5: Waste generated in operations	40	46	110
	Category 6: Business travel	5,942	6,808	9,613
	Category 15: Investments (PUT/PLC properties) ^{3,4}	42,237	43,723	75,767
	Total Scope 3 emissions (tCO₂e) above	127,407	127,776	86,147⁵
Total	Total emissions above (Location-based) (tCO₂e)	129,765	129,846	88,986⁵
	Total emissions above (Market-based) (tCO₂e)	128,856	129,037	87,150⁵

- Category 1 emissions for 2022/23 have been restated (from 0 to 68,383) as these were not published last year and are being disclosed for the first time this year.
- Category 2 emissions for 2022/23 have been restated (from 0 to 8,240) as these were calculated for the first time after the cut-off date for last year's reporting.
- Category 15 emissions (PUT/PLC) for 2022/23 have been restated (from 2,816 to 43,723) to follow the revised methodology used this year. This now accounts for both tenant emissions and landlord emissions from our investment properties, which provides a more complete emissions picture.
- Given the size and complexities involved with our Category 15 (Investments) emissions, we provide details of the carbon intensity of these separately on page 41 of our Climate report 2024.
- Total emissions above for 2018 do not include emissions from Category 1 and Category 2, as these were not calculated at the time. As this is a significant portion of emissions in subsequent reporting years, it has a proportional impact on the overall totals.

Absolute emissions targets

We are committed to doing our part to cap global warming at 1.5°C by 2050 and in 2019 we set the following interim targets for 2025:

ID	Scope	Description	% of emissions in scope	% decrease from base year	Base year	Base year emissions	Target year
Abs1	1	Gas and owned vehicles	100%	50%	2018	835	2025
Abs2	2 (Market-based)	Electricity	100%	100%	2018	167	2025
Abs3	3	Business travel, waste, WTT	100%	50%	2018	10,380	2025

Progress against absolute emissions targets

We acknowledge more needs to be done to achieve our targets and have accelerated work on our Climate Transition Plan to help us develop a detailed and achievable plan.

ID	Scope	Actual emissions in year (tonnes CO ₂ e)	% of target achieved	Comment
Abs1	1	596	57%	Absolute Scope 1 emissions increased marginally this year but remain well below 2018 levels. We hope the continued electrification of our fleet will restore our momentum next year.
Abs2	2 (Market-based)	852	-410%	We continue to purchase renewable electricity, evidenced by renewable energy guarantees of origin (REGO) certificates, for most of our UK managed estate, but will need to escalate work across some of our international sites to achieve this goal.
Abs3	3	6,659	62%	Absolute Scope 3 emissions continue to track significantly lower than they were in our base year, driven largely by reductions across our business travel emissions in 2024.

- Renewable Energy Guarantees of Origin certificates.

Normalised emissions

Scope	Normalised emissions in prior year (tonnes CO ₂ e per '000 sq ft)	Normalised emissions in current year (tonnes CO ₂ e per '000 sq ft)	Comment
1	0.96	0.95	Normalised Scope 1 emissions and Scope 3 emissions (excluding investments) improved this year relative to the size of our estate. This encouragingly reflects emissions reductions across various aspects of our operations and value chain. In particular, business travel emissions fell following the introduction of company policies aimed at reducing transportation use, which drove a 33% reduction in air travel. Unfortunately, we are unable to guarantee whether our normalised Scope 2 emissions decreased this year as not all of the REGO evidence for our rented estate was available at the time of reporting. However, we reaffirm our commitment to sourcing renewable energy for all our UK sites where possible.
2 (Market-based)	1.16	1.36	
3	12.47	10.61	

Full emissions disclosure continued

Scope 3 breakdown

As referenced in our responsible business section, a scoping assessment was conducted by an independent expert provider to determine which of the 15 Scope 3 categories were applicable to SJP. The outcomes of this exercise are summarised below, with emissions for applicable categories disclosed where they are measured. Full details of the rationale as to why each category was deemed applicable or not is available on page 40 of our Climate report 2024.

	Scope 3 emissions category	Applicability
Upstream activities	1. Purchased goods and services	Applicable
	2. Capital goods	Applicable
	3. Fuel and energy-related activities	Applicable
	4. Upstream transportation and distribution	Not applicable
	5. Waste generated in operations	Applicable
	6. Business travel	Applicable
	7. Employee commuting ¹	Applicable
	8. Upstream leased assets	Not applicable
Downstream activities	9. Downstream transportation and distribution	Not applicable
	10. Processing of sold products	Not applicable
	11. Use of sold products	Not applicable
	12. End-of-life treatment of sold products	Not applicable
	13. Downstream leased assets	Not applicable
	14. Franchises	Not applicable
	15. Investments ²	Applicable

¹ Employee commuting emissions were not reported this year, but we are developing a data collection methodology to enable reporting next year.

² Our reported Category 15 (Investments) emissions figure includes our investment properties but not emissions from our broader funds holdings in equities and other assets. We separately report the carbon intensity of these investments in our TCFD Product Report and in our responsible business section in this Annual Report and Accounts.

Scenario limitations and assumptions:

As discussed in the responsible business section, climate scenario analysis is still developing across our industry and is limited by the current availability of climate-related modelling data, which will likely improve over time. As such, scenario analysis carries inherent uncertainties and is not intended to be an accurate prediction of the future impacts of climate change on our business. Instead, it is intended to provide a high-level indication of key business metrics that may be sensitive to climate-related risks, so that efforts to improve strategic resilience can be made. There was no material divergence in the methodology or assumptions used in our modelling this year, but we aim to update these as best practices evolve over time. Our scenario analysis was also limited by key underlying assumptions such as the following:

1

No mitigating actions being taken in response to different scenarios emerging. In reality, targeted management actions would be taken should material impacts to our business be identified, to help minimise the negative effects.

2

Our modelling is based on a point-in-time snapshot of our investment holdings, which change over time. It does not consider how individual companies in that investment universe may adapt to changing conditions.

3

The model does not account for the potential second-order effects of climate-related risks such as political instability. These could materially change the output, but are too complex to fully capture with current data.

→ For more details on the results and objectives of our scenario analysis, and how this helps build climate resilience, refer to pages 23 to 31 of our Climate report 2024

Glossary of alternative performance measures

Within the Annual Report and Accounts various alternative performance measures (APMs) are disclosed.

An APM is a measure of financial performance, financial position or cash flows which is not defined by the relevant financial reporting framework, which for the Group is International Financial Reporting Standards as adopted by the UK (adopted IFRSs). APMs are used to provide greater insight into the performance of the Group and the way it is managed by the Directors. The tables below define each APM, explain why it is used and, if applicable, detail where the APM has been reconciled to IFRS:

Financial position-related APMs

APM	Definition	Why is this measure used?	Reconciliation to the financial statements
Solvency II net assets	<p>Based on IFRS Net Assets, but with the following adjustments:</p> <ol style="list-style-type: none"> 1. Reflection of the recognition requirements of the Solvency II regulations for assets and liabilities. In particular this removes deferred acquisition costs (DAC), deferred income (DIR), purchased value of in-force (PVIF) and their associated deferred tax balances, other intangibles and some other small items which are treated as inadmissible from a regulatory perspective; and 2. Adjustment to remove the matching client assets and the liabilities as these do not represent shareholder assets. <p>No adjustment is made to deferred tax, except for that arising on DAC, DIR and PVIF, as this is treated as an allowable asset in the Solvency II regulation.</p> <p>Solvency II net assets is not the same as Solvency II own funds as it excludes Solvency II value of in-force (VIF) and Risk margin.</p>	<p>Our ability to satisfy our liabilities to clients, and consequently our solvency, is central to our business. By removing the liabilities which are fully matched by assets, this presentation allows the reader to focus on the business operation. It also provides a simpler comparison with other wealth management companies.</p>	Refer to page 24.
Total embedded value	<p>A discounted cash flow valuation methodology, assessing the long-term economic value of the business.</p> <p>Our embedded value is determined in line with the European Embedded Value (EEV) principles originally set out by the Chief Financial Officers (CFO) Forum in 2004, and amended for subsequent changes to the principles, including those published in April 2016, following the implementation of Solvency II.</p>	<p>Life business and wealth management business differ from most other businesses, in that the expected shareholder income from the sale of a product emerges over a long period in the future. We therefore supplement the IFRS and Cash results by providing additional disclosure on an embedded value basis, which brings into account the net present value of expected future cash flows, as we believe that a measure of the total economic value of the Group is useful to investors.</p>	Not applicable.
EEV net asset value (NAV) per share	<p>EEV net asset value per share is calculated as the EEV net assets divided by the year-end number of ordinary shares.</p>	<p>Total embedded value provides a measure of total economic value of the Group, and assessing the EEV NAV per share allows analysis of the overall value of the Group by share.</p>	Not applicable.
IFRS NAV per share	<p>IFRS net asset value per share is calculated as the IFRS net assets divided by the year-end number of ordinary shares.</p>	<p>Total IFRS net assets provides a measure of value of the Group, and assessing the IFRS NAV per share allows analysis of the overall value of the Group by share.</p>	Not applicable.

Glossary of alternative performance measures continued

Financial performance-related APMs

APM	Definition	Why is this measure used?	Reconciliation to the financial statements
Cash result, and Underlying cash result	<p>The Cash result is defined as the movement between the opening and closing Solvency II net assets adjusted as follows:</p> <ol style="list-style-type: none"> 1. The movement in deferred tax is excluded, except that in relation to the exceptional Ongoing Service Evidence provision; 2. The movements in goodwill and other intangibles are excluded; and 3. Other changes in equity, such as dividends paid in the year and equity-settled share option costs, are excluded. <p>The Underlying cash result reflects the regular emergence of cash from the business, excluding any items of a one-off nature and temporary timing differences.</p> <p>The Cash result reflects all other cash items, including items of a one-off nature and temporary timing differences.</p> <p>Neither the Cash result nor the Underlying cash result should be confused with the IFRS consolidated statement of cash flows which is prepared in accordance with IAS 7.</p>	<p>IFRS income statement methodology recognises non-cash items such as deferred tax and equity-settled share options. By contrast, dividends can only be paid to shareholders from appropriately fungible assets. The Board therefore uses the Cash results to monitor the level of cash generated by the business.</p> <p>While the Cash result gives an absolute measure of the cash generated in the year, the Underlying cash result is particularly useful for monitoring the expected long-term rate of cash emergence, which supports dividends and sustainable dividend growth.</p>	Refer to sections 2.1 and 2.2 of the financial review and also see Note 3 to the consolidated financial statements.
Underlying cash basic and diluted earnings per share (EPS)	<p>These EPS measures are calculated as Underlying cash divided by the number of shares used in the calculation of IFRS basic and diluted EPS.</p>	As Underlying cash is the best reflection of the cash generated by the business, Underlying cash EPS measures allow analysis of the shareholder cash generated by the business by share.	Not applicable.
EEV profit	<p>Derived as the movement in the total EEV during the year.</p>	Both the IFRS and Cash results reflect only the cash flows in the year. However, our business is long-term, and activity in the year can generate business with a long-term value. We therefore believe it is helpful to understand the full economic impact of activity in the year, which is the aim of the EEV methodology.	See Note 3 to the consolidated financial statements.
EEV operating profit	<p>A discounted cash flow valuation methodology, assessing the long-term economic value of the business.</p> <p>Our embedded value is determined in line with the EEV principles originally set out by the Chief Financial Officers (CFO) Forum in 2004, and amended for subsequent changes to the principles, including those published in April 2016, following the implementation of Solvency II.</p> <p>The EEV operating profit reflects the total EEV result with an adjustment to strip out the impact of stock market and other economic effects during the year.</p> <p>Within EEV operating profit is new business contribution, which is the change in embedded value arising from writing new business during the year.</p>	<p>Both the IFRS and Cash results reflect only the cash flows in the year. However, our business is long-term, and activity in the year can generate business with a long-term value. We therefore believe it is helpful to understand the full economic impact of activity in the year, which is the aim of the EEV methodology.</p> <p>Within the EEV, many of the future cash flows derive from fund charges, which change with movements in stock markets. Since the impact of these changes is typically unrelated to the performance of the business, we believe that the EEV operating profit (reflecting the EEV profit, adjusted to reflect only the expected investment performance and no change in economic basis) provides the most useful measure of embedded value performance in the year.</p>	See Note 3 to the consolidated financial statements.

Glossary of alternative performance measures continued

APM	Definition	Why is this measure used?	Reconciliation to the financial statements
Policyholder and shareholder tax	<p>Shareholder tax is estimated by making an assessment of the effective rate of tax that is applicable to the shareholders on the profits attributable to the shareholders. This is calculated by applying the appropriate effective corporate tax rates to the shareholder profits.</p> <p>The remainder of the tax charge represents tax on policyholders' investment returns.</p> <p>This calculation method is consistent with UK legislation relating to the calculation of the tax on shareholders' profits.</p>	<p>The UK tax regime facilitates the collection of tax from life insurance policyholders by making an equivalent charge within the corporate tax of the Company. The total tax charge for the insurance companies therefore comprises both this element and an element more closely related to normal corporation tax.</p> <p>Life insurance business impacted by this tax typically includes policy charges which align with the tax liability, to mitigate the impact on the corporate entity. As a result, when policyholder tax increases, the charges also increase. Since these offsetting items can be large, and typically do not perform in line with the business, it is beneficial to be able to identify the two elements separately. We therefore refer to that part of the overall tax charge which is deemed attributable to policyholders as policyholder tax, and the rest as shareholder tax.</p>	Disclosed as separate line items in the statement of comprehensive income.
Profit before shareholder tax	A profit measure which reflects the IFRS result adjusted for policyholder tax, but before deduction of shareholder tax. Within the consolidated statement of comprehensive income the full title of this measure is 'profit before tax attributable to shareholders' returns'.	The IFRS methodology requires that the tax recognised in the financial statements should include the tax incurred on behalf of policyholders in our UK life assurance company. Since the policyholder tax charge is unrelated to the performance of the business, we believe it is also useful to separately identify the profit before shareholder tax, which reflects the IFRS profit before tax, adjusted only for tax paid on behalf of policyholders.	Disclosed as a separate line item in the statement of comprehensive income.
Controllable expenses	The total of expenses which reflects establishment, development, and our Academy.	We are focused on managing long-term growth in controllable expenses.	Full details of the breakdown of expenses is provided in section 2.2 of the financial review.

Change in APMs

In previous years we have reported underlying profit as an APM. This was calculated as IFRS profit before shareholder tax, adjusted for the impact of movements in DAC, DIR and PVIF. We have retired underlying profit as a separate APM for 2024 as we look to simplify our reporting. The movement in DAC, DIR and PVIF is now presented in the reconciliation between IFRS profit and the Cash result on page 23.

In addition, we have retired EEV operating profit basic and diluted earnings per share (EPS), again as we look to simplify our reporting.

Glossary of terms

Administration platform, also Bluedoor

A client-centric administration system, which has been developed in conjunction with our third-party outsourced administration provider, SS&C Technologies, Inc. (SS&C). The system is owned by SS&C.

Adviser or financial adviser

An individual who is authorised by an appropriate regulatory authority to provide financial advice. In the UK our advisers are authorised by the FCA.

Chief Operating Decision-Maker (CODM)

The Group Executive Committee (GEC) of the Board, which is responsible for allocating resources and assessing the performance of the operating segments.

Client numbers

The number of individuals who have received advice from a St. James's Place Partner and own a St. James's Place wrapper.

Company

The Company refers to St. James's Place plc, which is also referred to as 'St. James's Place' and 'SJP' throughout the Annual Report and Accounts.

Controllable expenses

The total of expenses which reflects establishment, development, and our Academy.

Core employees

Employees of the main employing entity in the UK, St. James's Place Management Services.

Deferred acquisition costs (DAC)

An intangible asset required to be established through the application of IFRS to our long-term business. The value of the asset is equal to the amount of all costs which accrue in line with new business volumes. The asset is amortised over the expected lifetime of the business.

Deferred income (DIR)

Deferred income, which arises from the requirement in IFRS that initial charges on long-term financial instruments should only be recognised over the lifetime of the business. The initial amount of the balance is equal to the charge taken.

Discretionary fund management (DFM)

A generic term for a form of investment management in which buy and sell decisions are made (or assisted) by a portfolio manager for a client's account. Within St. James's Place, the services provided by Rowan Dartington (including discretionary fund management and stockbroking) are collectively referred to as discretionary fund management, distinguishing them from the services provided by our Partners and from our investment management approach (IMA).

European Embedded Value (EEV)

EEV reflects the fact that the expected shareholder income from the sale of wealth management products emerges over a long period of time, by bringing into account the net present value of the expected future cash flows. EEV is calculated in accordance with the EEV principles originally issued in May 2004 by the Chief Financial Officers Forum (CFO Forum), supplemented in both October 2005 and, following the introduction of Solvency II, in April 2016.

Financial Conduct Authority (FCA)

The FCA is a company limited by guarantee and is independent of the Bank of England. It is a UK government regulator and is responsible for the conduct of business regulation of all firms (including those firms subject to prudential regulation by the Prudential Regulation Authority (PRA)) and the prudential regulation of all firms not regulated by the PRA. The FCA has three statutory objectives: securing an appropriate degree of protection for consumers, protecting and enhancing the integrity of the UK financial system, and promoting effective competition in the interests of consumers.

Financial Services Compensation Scheme (FSCS)

The FSCS is the UK's statutory compensation scheme for customers of authorised financial services firms. This means that the FSCS can pay compensation if a firm is unable, or is likely to be unable, to pay claims against it. The FSCS is an independent body, set up under the Financial Services and Markets Act 2000, and funded by a levy on 'authorised financial services firms'. The scheme covers deposits, insurance policies, insurance brokering, investments, mortgages and mortgage arrangement.

Funds under management (FUM)

Represents all assets actively managed or administered by or on behalf of the Group, including all life insurance and unit trust assets, but not assets managed by third parties where we have only introduced or advised on the business. Assets managed by Rowan Dartington count as FUM from the date of acquisition.

FUM retention rate

The proportion of FUM retained over the period after allowing for the effect of full and partial surrenders, but excluding the effect of intrinsic regular income withdrawals and maturity payments.

Glossary of terms continued

Gestation FUM

This represents FUM on which no annual product management charges are taken. Most of our investment bond and pension business enters a six-year gestation period following initial investment. FUM which is not gestation FUM is known as mature FUM, which is defined later in this section.

Gross inflows

Total new funds under management accepted in the period.

Group

The term 'Group' refers to the Company together with its subsidiaries as listed in Note 26 to the consolidated financial statements.

Group Executive Committee (GEC)

The GEC comprises the Executive Directors of the Board and other members of senior management. It is via the GEC that operational matters are delegated to management. The GEC is responsible for communicating and implementing the Group's business plan objectives, ensuring that the necessary resources are in place in order to achieve those objectives, and managing the day-to-day operational activities of the Group.

International Financial Reporting Standards (IFRS)

These are accounting regulations issued by the International Accounting Standards Board (IASB) designed to ensure comparable preparation and disclosure of statements of financial position. The Group financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the UK (adopted IFRSs).

Investment business

This refers to onshore and offshore investment bond business written by the life insurance entities in the Group.

Investment management approach (IMA)

The IMA is how St. James's Place manages clients' investments. It is overseen by St. James's Place Investment Committee, which empowers specialist internal investment teams – under the management of our Chief Investment Officer – to identify the third-party fund managers best placed to manage assets on our behalf. This involves detailed research and ongoing monitoring to ensure the highest of standards are met, and will, at times, result in the replacement of an incumbent fund manager.

Mature FUM

This represents FUM on which annual product management charges are taken. ISA and unit trust business flows into mature FUM from initial investment, but most of our investment bond and pension business only becomes mature FUM after the six-year gestation period, during which time it is known as gestation FUM.

Mature FUM

This represents FUM on which annual product management charges are taken. ISA and unit trust business flows into mature FUM from initial investment, but most of our investment bond and pension business only becomes mature FUM after the six-year gestation period, during which time it is known as gestation FUM.

Maturities

Those sums paid out where a plan has reached the intended, pre-selected, maturity event (e.g. retirement).

Net inflows

Net inflows are gross inflows less the amount of FUM withdrawn by clients during the same period. The net inflows are the growth in FUM not attributable to investment performance.

Policyholder and shareholder tax

The UK tax regime facilitates the collection of tax from life insurance policyholders by making an equivalent charge within the corporate tax of the Company. This part of the overall tax charge, which is attributable to policyholders, is called policyholder tax. The rest of the Company's tax liability is attributable to shareholders, so is known as shareholder tax.

Policyholder tax asymmetry

The financial statements of a life insurance group need to reflect the liability to HMRC and the corresponding deductions incorporated into policy charges. In particular, the tax liability to HMRC is assessed using IAS 12 Income Taxes, which does not allow discounting, whereas the policy charges are designed to ensure fair outcomes between clients and so reflect a wide range of possible outcomes.

This gives rise to different assessments of the current value of future cash flows and hence an asymmetry in the consolidated statement of financial position between the deferred tax position and the offsetting client balance. The net balance reflects a temporary position, and in the absence of market volatility we expect it will unwind as future cash flows become less uncertain and are ultimately realised. Movement in the asymmetry is recognised in the consolidated statement of comprehensive income and analysed in Note 4 Fee and commission income. We refer to it throughout this Annual Report and Accounts as the impact of policyholder tax asymmetry.

Prudential Regulation Authority (PRA)

The PRA is a part of the Bank of England and is responsible for the prudential regulation of deposit-taking institutions, insurers and major investment firms. The PRA has two statutory objectives: to promote the safety and soundness of these firms and, specifically for insurers, to contribute to the securing of an appropriate degree of protection for policyholders.

Glossary of terms continued

Purchased value of in-force (PVIF)

An intangible asset established on takeover or acquisition, reflecting the present value of the expected emergence of profits from a portfolio of long-term business. The asset is amortised in line with the emergence of profits.

Regular income withdrawals

Those amounts, pre-selected by clients, which are paid out by way of periodic income.

Responsible investment (RI)

Principles and practices that consider broader sustainability themes and specific environmental, social and corporate governance factors within the investment process.

Retirement Account (RA)

A St. James's Place pension product which incorporates both pre-retirement pension saving and post-retirement benefit receipts in the same investment product.

Rowan Dartington (RD)

A wealth management business providing discretionary fund management and stockbroking services, acquired by St. James's Place in 2016.

Solvency II

Insurance regulations designed to harmonise EU insurance regulation which became effective on 1 January 2016. The key concerns of the regulation are to ensure robust risk management in insurance companies and to use that understanding of risk to help determine the right amount of capital for UK and European insurance companies to hold to ensure their ongoing viability in all but the most severe stressed scenarios. Following the UK's withdrawal from the EU these regulations have been adopted by the UK.

SS&C Technologies, Inc. (SS&C)

A provider of investor and policyholder administration and technology services. SS&C is our third-party outsourced provider, responsible for the administration of our UK life insurance company SJPUK, our Irish life insurance company SJPI, our unit trust manager SJPUTG, our investment administration company SJPIA and our discretionary fund manager RD.

St. James's Place Charitable Foundation

The independent grant-making charity established at the same time as the Company in 1992. More information about the Charitable Foundation can be found on its website sjpfoundation.co.uk.

St. James's Place International plc (SJPI)

A life insurance entity in the Group which is incorporated in the Republic of Ireland.

St. James's Place Investment Administration Limited (SJPIA)

An entity in the Group which is responsible for unit trust administration and ISA management, which is incorporated in England and Wales.

St. James's Place Partner

A member of the St. James's Place Partnership. Specifically, the individual or business that is registered, on the relevant regulatory register, as an appointed representative of St. James's Place Wealth Management plc, St. James's Place (Hong Kong) Limited, St. James's Place (Middle East) Limited or St. James's Place (Singapore) Private Limited.

St. James's Place Partnership

The collective name for all of our advisers, who are appointed representatives of St. James's Place.

St. James's Place UK plc (SJPUK)

A life insurance entity in the Group which is incorporated in England and Wales.

St. James's Place Unit Trust Group Limited (SJPUTG)

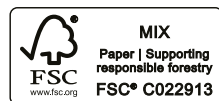
An entity in the Group which is responsible for unit trust management, and which is incorporated in England and Wales.

St. James's Place Wealth Management plc (SJPWM)

The UK distribution entity within the Group, which is responsible for the St. James's Place Partnership and the advice it provides to clients. It is incorporated in England and Wales.

Surrenders and part-surrenders

Those amounts of money which clients have chosen to withdraw from their plan, which were not pre-selected regular income withdrawals or maturities.



This product is made of material from well-managed, FSC®- certified forests and other controlled sources. The material is manufactured to the environmental management system ISO 14001, FSC®chain-of-custody-certified, elemental – chlorine and acid free.

Our UK Printer is also ISO 14001 certified, FSC®certified and Carbon Neutral. This report is fully biodegradable and recyclable.

The matt lamination film used on the outer cover is naturally biodegradable. The film contains special additives which allow a controlled oxo-biodegradation. The paper used in this production has been carbon balanced. Printed by Pureprint.



The paper is Carbon Balanced with the World Land Trust, an international conservation charity, who offset carbon emissions through the purchase and preservation of high conservation value land.

Through protecting standing forests, under threat of clearance, carbon is locked in that would otherwise be released. These protected forests are then able to continue absorbing carbon from the atmosphere, referred to as REDD (Reduced Emissions from Deforestation and forest Degradation). This is now recognised as one of the most cost-effective and swiftest ways to arrest the rise in atmospheric CO₂ and global warming effects. Additional to the carbon benefits is the flora and fauna this land preserves, including a number of species identified at risk of extinction on the IUCN Red List of Threatened Species.

If you have finished reading the Report and no longer wish to retain it, please pass it on to other interested readers, return it, or dispose of it in your recycle paper waste.

Designed and produced by Instinctif Partners creative.instinctif.com

SJP

St. James's Place plc

St. James's Place House
1 Tetbury Road
Cirencester
Gloucestershire
GL7 1FP
T: 01285 640302

sjp.co.uk

