PRESS RELEASE AND HALF-YEAR REPORT AND ACCOUNTS

30 July 2024

ANNOUNCEMENT OF HALF-YEAR RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2024

SJP PERFORMING WELL AND POSITIONING FOR FURTHER LONG-TERM SUCCESS

St. James's Place plc (SJP) today issues its half-year results for the six months ended 30 June 2024:

Mark FitzPatrick, Chief Executive Officer, commented:

"I am encouraged to report robust business performance for the first half of 2024 across each of our key operating and financial metrics, demonstrating the continued resilience of our business model even as we work to address the past challenges that I set out earlier in the year. We have seen high levels of activity and engagement between our advisers and our clients, contributing to positive flows. Helped by strong investment returns for our clients, we have achieved record funds under management, delivered a good outturn for the Cash result, and grown the Partnership and our client base. It's evident that we remain in good shape.

The first half has seen us make progress against our significant programmes of work to simplify our charging structure and review historic client servicing records. We are on track to deliver our new charging structure in the second half of 2025, in line with previous guidance. The focus of our review of historic client servicing records has been on building and readying the infrastructure that is necessary to analyse significant amounts of servicing records efficiently and accurately. We remain comfortable that the provision we have set up to cover the costs of this exercise is appropriate.

Beyond our operating and financial performance, we have performed a thorough review of the business and the markets in which we operate. Ultimately, this work has reinforced our conviction that SJP continues to be a very strong business, with a fantastic opportunity ahead.

We must though acknowledge that for all our qualities as a business, we have a lot of hard work ahead of us over the next 24 months to strengthen our core and execute our existing programmes of work, helping us to become a more efficient and effective business. From a strong base, we can capture the structural market opportunities ahead of us and drive growth over the long-term.

As we look to the future, we are ambitious and have a clear direction of travel towards achieving sustained success. I am confident that the approach set out following our business review will enable us to achieve annual FUM growth in the mid-to-high single digits over time. While near-term profit growth will reflect the structural impact of transitioning to our new simpler and more comparable charging structure as announced last October, we expect to see the Underlying cash result accelerate in 2027 and beyond, doubling between 2023 and 2030. Importantly, much of this rapid growth is highly predictable because of those changes that we are making to our charges.

We are positioning for further success, and I am confident that our refreshed strategic focus leaves us well placed for a very bright future ahead."

Operating highlights

- Gross inflows of £8.5 billion (2023: £8.0 billion)
- Continued strong retention of client funds at 94.6%[1] (2023: 95.6%[1])
- Net inflows of £1.9 billion (2023: £3.4 billion), representing an annualised 2.3% of opening funds under management (2023: 4.6%)
- Record funds under management of £181.9 billion (31 December 2023: £168.2 billion)
- Net 3% increase in client base to 988,000 (31 December 2023: 958,000)

Financial highlights and shareholder returns

- Underlying post-tax cash result £205.2 million (2023: £207.1 million)[2]
- IFRS profit after tax £165.1 million (2023: £161.7 million)
- Interim dividend of 6.00 pence per share (2023: 15.83 pence)
- Interim share buyback of £32.9 million, equivalent to 6.00 pence per share

H1 business review findings and outcomes

- Market opportunity remains compelling given structural growth drivers and rising demand for advice
- Reinforced conviction that SJP remains a strong business, with key and sustainable competitive advantages
- Future strategic focus to be built around four pillars:
  - **Brilliant basics**: We will simplify and standardise our operations, sharpening focus on delivering excellent client outcomes
  - **Differentiated client proposition**: We will enhance our client proposition, providing a quality offering across differing client segments
  - **Leading adviser offering**: We will continue to be the best place to be a financial adviser in the UK, setting the standard for the future of financial advice
  - **Performance-focused organisation:** We will foster empowerment and accountability, evolving our culture and driving performance across our community
- Near-term focus on strengthening business and executing existing programmes of work, laying the foundations for sustained growth
- Plan to increase strategic investment over time, funded through optimising our existing c. £670m addressable cost base[3]

  Saving to invest
  - Ambition between now and the end of 2026 to deliver an addressable cost base reduction programme, which will reach full run-rate savings of £100 million (pre-tax) or 15% p.a. by 2027
  - Total costs to achieve savings of £80 million largely incurred in 2025 and 2026
  - Anticipate cumulative net savings of approaching £500 million through to 2030, after costs to achieve

  Investing to grow
  - Approximately half of these savings, once realised, will be invested back into the business between 2025 and 2030, supporting strategic initiatives and underpinning long-term growth ambitions

  Overall benefit to the cost base
  - Combination of cost savings, costs to achieve, and investing for growth, expected to be broadly neutral to the cost base in 2024, 2025 and 2026 with benefits emerging thereafter
  - Benefits anticipated, before tax, of £30 million in 2027, £50 million in 2028, and £70 million from 2029 onwards
  - Further underpins our ambition to double the Underlying cash result from 2023 to 2030

The details of the announcement are attached.

[1] Throughout this press release our retention rate is calculated as the proportion of FUM retained over the period after allowing for the effect of full and partial withdrawals, but excluding the effect of intrinsic regular income and maturity payments.
[2] The Underlying cash result is an alternative performance measure (APM). The glossary of alternative performance measures on pages 96 - 99 defines this APM and explains why it is useful. The Underlying cash result is reconciled to International Financial Reporting Standards (IFRS) on pages 19 and 20.
[3] The addressable cost base for the purposes of our business review is total IFRS expenses, less those which were either out of scope for the review, one-off in nature or outside of management's control.

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2024 Half Year Results Presentation
Date: 30 July 2024
Time: 08:30 BST

If you have not registered to access SJP webcasts before, please complete the registration form in the link below and verify your email address in advance of the presentation. Registered viewers can access the webcast by entering your email address and clicking sign in, also using the link below.

Click here to register for and to access the webcast

Q&A session

The event will conclude with a live Q&A session. The event platform will remain open to listen to the Q&A, but if you wish to ask questions during this session please dial-in to the conference call line from 9:00 BST using the details below:

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*Press *1 to ask a question, *2 to withdraw your question, or *0 for operator assistance.*

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A recording will be available until Tuesday 6 August 2024:

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CONTENTS

	Page(s)
New Business Inflows and Funds Under Management	5
Interim Management Statement	6 - 42
Condensed Consolidated Half-Year Financial Statements prepared under International Financial Reporting Standards (IFRS) as adopted by the United Kingdom (UK)	43 - 84
Independent review report to St. James's Place plc	85 – 86
Responsibility Statement of the Directors in respect of the Half-Year Financial Report	87
Supplementary Information: Consolidated Half-Year Financial Statement on a Cash Result Basis	88 - 94
Other Information	95 - 99

New Business Inflows and Funds Under Management

The following table shows how FUM evolved during the six months to 30 June 2024 and 30 June 2023, and the year to 31 December 2023. Investment return is presented net of all charges.

	Six months ended 30 June 2024					
	Investment	**Pension**	**UT/ISA and DFM**	**Total**	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Billion	**£'Billion**	**£'Billion**	**£'Billion**	£'Billion	£'Billion
Opening FUM	**35.99**	**87.32**	**44.89**	**168.20**	148.37	148.37
Gross inflows	**1.00**	**5.59**	**1.94**	**8.53**	8.04	15.39
Net investment return	**2.24**	**6.53**	**2.98**	**11.75**	5.71	14.71
Regular income withdrawals and maturities	**(0.19)**	**(1.68)**	**–**	**(1.87)**	(1.27)	(2.77)
Surrenders and part-surrenders	**(1.14)**	**(1.50)**	**(2.11)**	**(4.75)**	(3.33)	(7.50)
Closing FUM	**37.90**	**96.26**	**47.70**	**181.86**	157.52	168.20
Net (outflows)/inflows	**(0.33)**	**2.41**	**(0.17)**	**1.91**	3.44	5.12
Implied surrender rate as a percentage of average FUM	**6.2%**	**3.3%**	**9.1%**	**5.4%**	4.4%	4.7%

Interim Management Statement

Chief Executive Officer's report

Introduction

I am encouraged to report robust business performance for the first half of 2024 across each of our key operating and financial metrics, demonstrating the continued resilience of our business model even as we work to address the past challenges that I set out earlier in the year. We have seen high levels of activity and engagement between our advisers and clients, contributing to positive flows. Helped by strong investment returns for our clients, we have achieved record funds under management, delivered a good outturn for the Cash result, and grown the Partnership and our client base.

At the time of our full-year results in February, I provided my initial reflections on the business. Since then, I have continued my work to get deep into the fabric of SJP, deliver change and tell our story. This has included meeting many Partners, advisers, employees and shareholders to understand their perspectives; strengthening our relationship with our key regulators through regular engagement; and meeting with policymakers, industry peers and those in government to increase our voice and help shape the future of our industry.

Together with the review of the business that we undertook in the first half, this activity has only added to our conviction that SJP is a fundamentally strong and growing business with an enormously powerful distribution and asset gathering capability. The attractive investment proposition powered by high quality advice from our Partnership of 4,852 advisers, helps deliver good outcomes for our growing client base.

Operating and financial performance

It has been well documented that recent years have been challenging for UK consumers, but we are starting to see some more positive indicators in the macroeconomic environment. Consumer confidence is increasing in response to falling inflation and the resulting optimism that interest rates may soon follow a similar path. While it is too early to draw firm conclusions, we are encouraged by these early signs of recovery.

This improving operating environment has resulted in gross inflows in the second quarter of 2024 of £4.5 billion (three months to 30 June 2023: £3.8 billion), 18% higher than that seen in 2023, providing a welcome return to quarterly growth. Combined with a resilient first quarter of the year this means our financial advisers have attracted a total of £8.5 billion (six months to 30 June 2023: £8.0 billion) of new client investments during the first half of 2024, an increase of 6% versus the same period in 2023. We have continued to see high activity levels, resulting in case volumes being higher year on year, partially offset by lower average case sizes as financial pressures persist.

We are encouraged by the continued strong retention of client funds under management, with an annualised retention rate of 94.6% (six months to 30 June 2023: 95.6%) for the first half, despite the ongoing financial pressures facing clients. As a result, we continue to generate significant levels of net inflows, which stood at £1.9 billion for the first half (six months to 30 June 2023: £3.4 billion). Our investment management approach (IMA) continues to perform well, achieving strong positive returns for clients in the first half of the year. This, together with new business, has seen funds under management increase to £181.9 billion (31 December 2023: £168.2 billion), up 8% from the start of the year.

This operating performance has been mirrored by a strong financial result for the period. We have delivered an Underlying post-tax cash result of £205.2 million, down 1% versus the prior year as a result of the significant additional short-term cost of investing in the systems and processes required to support the simplified charging structure that we announced in October last year. Excluding these short-term costs, the Underlying cash result increased by 11%, driven by higher average mature funds under management and the associated net income. This affirms the underlying strength and resilience of our business model.

Meanwhile, we are progressing our significant programme of work to review historic client servicing records with a focus on building and readying the infrastructure that is necessary to analyse significant amounts of servicing records efficiently and accurately. We remain comfortable that the provision we have set up to cover the costs of this exercise is appropriate.

We are also making good progress in our implementation programme for the future of simple and comparable charging at SJP, in line with the plans we communicated in October last year. We remain on track to deliver this in line with previous guidance.

Business review

Over the last few months we have completed a review of all aspects of the business with the aim of taking a step back to assess the development of our marketplace, hold a mirror up to our business, and ensure we are setting out on a clear path forward so that we drive great outcomes for our clients and all our stakeholders.

We have done a lot of work assessing our marketplace to consider not just what it looks like today, but how it might develop in the years ahead. We see a compelling opportunity, with the UK wealth management market expected to grow at some 7% per annum compound over the next 7 years [1], driven by a combination of structural and cyclical factors including asset appreciation and growing provision for retirement.

Ultimately, this work has reinforced our conviction that SJP continues to be a very strong business, with a fantastic opportunity ahead. We are the scale market leader in an industry that has embedded structural growth across all market segments. We are well placed to capitalise upon this opportunity and build upon our long track record of success given the strengths of our distinct business model that include the Partnership, our Academy and our investment management approach.

Our strategic direction going forwards is underpinned by our redefined purpose: to empower clients with invaluable advice to realise bolder ambitions. This is what drives our advisers, our employees and everyone else across our community of 15,000 people. We will leverage our great strengths, whilst making changes where necessary to drive sustained growth, and to ensure we capture economies of scale as we succeed. We will build a confident, high-performance culture that will see SJP thrive for the benefit of all our stakeholders.

We will focus our priorities on 4 strategic pillars. These are:

- **Brilliant basics:** simplifying and standardising our operations, sharpening focus on delivering excellent client outcomes. This includes building on our core technology infrastructure to improve our operational and administrative processes, leveraging our rich data universe to provide unparalleled insight and support Partner productivity, and driving improved awareness of the value of financial advice.
- **Differentiated client proposition:** enhancing our client proposition to provide a quality offering across differing client segments, for example by tailoring it to better serve the needs of high-net-worth clients, developing our digital capabilities and broadening our investment shelf to provide greater choice. This includes increasing our use of passives, deepening our alternatives offering and building on our cash proposition.
- **Leading adviser offering:** continuing to be the best place to be a professional financial adviser in the UK, setting the standard for the future of financial advice. This includes further enhancing our Academy programme, evolving our Partnership support model to focus on helping our quality advisers to become more productive, while supporting the continued evolution of our market-leading succession proposition
- **Performance-focused organisation:** fostering empowerment and accountability, embedding a high-performance culture through a new leadership framework while also optimising our cost base for a more efficient operating model which is aligned to our redefined purpose and refreshed strategy.

We have an ambition to reduce our addressable cost base by around £100 million per annum before tax. We will have completed the work to achieve these cost savings by the end of 2026, with one-off costs to achieve of approximately £80 million.

This means that up to 2030, we estimate cumulative savings, net of costs to achieve, of approaching £500m. In creating this significant capacity, we have the opportunity to fund investment in a disciplined manner. This investment will enable us to deliver on our strategic initiatives, further underpin our long-term growth ambitions, and improve the Cash result.

[1]Source: GlobalData

We expect to invest a total of around £250 million through to 2030, or around half the total savings we will create over this period. Our investment priorities will be primarily focused around three areas:

1) enhancing our technology and data capabilities;
2) developing and tailoring our differentiated client proposition; and,
3) broadening our investment shelf.

These will support our operational performance, adviser productivity and further enhance our differentiated client offering.

The net effect of costs savings, costs to achieve, and investing for growth, is expected to be broadly neutral to our cost base in 2024-2026. Net positive benefits to our cost base are expected to emerge thereafter, of around £30 million in 2027 and £50 million in 2028, before we achieve full ongoing savings of around £70 million per annum by 2029.

We know that for all our qualities as a business, we have a lot of hard work ahead of us over the next 24 months. We need to deliver our simpler and more comparable charging structure, and refund those clients where ongoing servicing has not been evidenced historically. We therefore have an initial period of heavy lifting ahead of us, where a lot of our work is about strengthening our core and executing to become a more efficient and effective business. From a strong base, we can look to drive sustained growth over the long term, managing all aspects of our business to drive returns and create long-term value for shareholders.

Summary and outlook

It has been a challenging period for the business, but we have made good progress on many fronts during the first half of the year, which is testament to the resilience of our business model and the hard work of all our advisers, Partner Support Staff, and our employees. I thank them all for their continued efforts.

We are ambitious and have a clear direction of travel for how we are going to achieve sustained success. I am confident that the approach we have set out following our business review will enable us to achieve annual FUM growth in the mid-to-high single digits over time. While near-term profit growth will reflect the impact of transitioning to our new charging structure as announced last October, we expect to see the Underlying cash result accelerate in 2027 and beyond, doubling between 2023 and 2030. Importantly, much of this rapid growth is highly predictable because of those changes that we are making to our charges.

We are positioning for further success, and I am confident that our refreshed strategic focus leaves us well placed for a very bright future ahead.

Mark FitzPatrick, Chief Executive Officer
29 July 2024

Chief Financial Officer's report

We are pleased to report a strong set of financial results for the first half of 2024, as the operating environment shows early signs of improvement following a challenging couple of years.

As already summarised in the Chief Executive Officer's Report, our business has performed well in the first half delivering positive flows and growth in funds under management. This has underpinned growth in fee income, enabling us to deliver a post-tax Underlying cash result for the half year of £205.2 million (six months to 30 June 2023: £207.1 million, year to 31 December 2023: £392.4 million), despite significant additional investment as we implement our new charging structure.

Our financial results are presented in more detail on pages 13 to 38 of the Financial Review, but this report provides a summary of financial performance on a statutory International Financial Reporting Standard (IFRS) basis, as well as our chosen alternative performance measures (APMs).

Financial results

IFRS

As is often the case, **IFRS profit before tax** of £577.0 million (six months to 30 June 2023: £385.0 million, year to 31 December 2023: £439.6 million) and **IFRS profit before shareholder tax** of £225.1 million (six months to 30 June 2023: £215.7 million, year to 31 December 2023: £4.5 million loss) are each heavily distorted by the inclusion of policyholder tax and the associated charges, with further detail included in the Financial Review on page 19.

Excluding the short-term impact of items related to policyholder tax, **IFRS profit before shareholder tax** is subject to similar drivers as those described for the Cash result below.

Cash result

The **Cash result**, and the **Underlying cash result** contained within it, are based on IFRS but adjusted to exclude certain non-cash items. They therefore represent useful guides to the level of cash profit generated by the business. All items in the Cash result, and in the commentary below, are presented net of tax, with prior period comparisons impacted by a change in the rate of corporation tax on 1 April 2023.

The post-tax **Underlying cash result** of £205.2 million (six months to 30 June 2023: £207.1 million, year to 31 December 2023: £392.4 million) has reduced by 1%, as increased recurring net income was offset by significant additional short-term costs as we invest in the systems and processes required to implement our new charging structure; excluding these short-term costs, the Underlying cash result increased by 11%. It was also impacted by a higher rate of corporation tax.

The key driver of our Underlying cash result is the **Net income from funds under management** which has increased by 8% to £324.8 million (six months to 30 June 2023: £299.6 million, year to 31 December 2023: £599.2 million) as a result of strong growth in funds under management and the first contribution from gestation balances that matured during the period.

With a further £49.5 billion of gestation FUM that is not currently contributing to the Cash result, but will begin to as it matures over the next six years, we are well placed for further growth in net income in the years ahead. For illustrative purposes, our current stock of funds in gestation would, in due course, contribute around £295.5 million a year in recurring income to the Cash result.

In addition, we have also generated income through a **Margin arising from new business** where initial product charges levied on gross inflows exceed new-business-related expenses, as well as **Shareholder interest** which represents the interest earned on shareholder working capital and business loans to Partners.

These sources of income are used to meet our costs, including **Controllable expenses** which have increased by 8% on a post-tax basis, reflecting a weighting of development expenditure towards the first half of the year, as well as our **Investment in Asia and DFM** and our **FSCS levy and other regulatory costs**.

As referenced above, we have also incurred additional short-term **Charge structure implementation costs** of £25.0 million post-tax (six months to 30 June 2023: £nil, year to 31 December 2023: £7.2 million). Our guidance on implementation costs remains unchanged.

European Embedded Value

We supplement our IFRS and Cash results with additional disclosure on a European Embedded Value (EEV) basis, providing a measure of the total value that might be expected to arise over the lifetime of the existing business, though without making any allowance for new business that may be written in the future.

The **EEV operating profit before exceptional items** of £545.9 million for the period (six months to 30 June 2023: £740.1 million, year to 31 December 2023: £1,041.0 million), has reduced as a result of the ongoing impact of changes to our charging structure announced in 2023, which have reduced the contribution from new business in the period, as well as reducing the opening value of in-force business and the associated unwind of the discount rate.

The **EEV operating profit after exceptional items** of £793.1 million (six months to 30 June 2023: £119.1 million loss, year to 31 December 2023: £1,891.6 million loss) has been impacted in both the current and prior year by the announced changes to our charging structure.

The **EEV profit before tax** of £1,229.0 million for the period (six months to 30 June 2023: £76.3 million, year to 31 December 2023: £1,387.4 million loss) has benefitted from a positive investment return variance of £437.9 million (six months to 30 June 2023: £157.6 million, year to 31 December 2023: £501.7 million), reflecting the increased market values across our FUM that exceeded our long-term assumptions.

The **EEV net asset value per share** was £15.71 at 30 June 2024 (30 June 2023: £16.28, 31 December 2023: £14.11).

Solvency and capital

We take a prudent approach to managing the balance sheet and our capital requirements. This continues to be the case, with both the Group and our life companies in a strong financial position. Given the simplicity of our business model, our preferred approach to considering solvency remains to hold assets to match client unit-linked liabilities and allow for a management solvency buffer (MSB).

At 30 June 2024 we held surplus assets over the MSB of £711.2 million (30 June 2023: £824.2 million, 31 December 2023: £603.5 million), increasing as a result of cash generated exceeding the dividend paid during the period.

We also ensure that our approach meets the requirements of the Solvency II regime. Our UK life company, the largest insurance entity in the Group, targets capital equal to 130% of the standard formula requirement. This is a prudent and sustainable policy given the risk profile of our business, which is largely operational.

At 30 June 2024, the solvency ratio for our life companies was 164% (30 June 2023: 131%, 31 December 2023: 162%) of the standard formula capital requirements, comfortably exceeding our target capital levels. Taking into account entities in the rest of the Group, the Group solvency ratio at 30 June 2024 was 188% (30 June 2023: 151%, 31 December 2023: 191%).

Financial position

Our IFRS Condensed Consolidated Statement of Financial Position, presented on page 46, contains policyholder interests in unit-linked liabilities and the underlying assets that are held to match them. To understand the true assets and liabilities that the shareholder can benefit from, these policyholder balances, along with non-cash '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 that the Group has deep liquidity. Further information on liquidity can be found on page 30.

Analysis of the key movements in the Solvency II Net Assets balance sheet during the period is set out on pages 28 to 31.

Capital allocation

As stewards of shareholder capital, disciplined allocation of our capital resources is of the utmost importance. Our capital allocation framework sets out our priorities:

1. We will **maintain a strong balance sheet**, ensuring the safety of our client investments;
2. We will **invest to drive organic growth,** ensuring we have the necessary core capabilities in the business;
3. We will **deliver annual shareholder returns**, which are reliable and in line with our guidance; and
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 we announced in February, our approach is to return 50% of the full year Underlying cash result. For 2024, this is expected to comprise 18.00 pence per share in annual dividends declared with the balance returned through share buybacks.

We target an interim return of approximately one-third of the anticipated full year total. The Board is therefore declaring an interim dividend of 6.00 pence per share, together with an interim share buyback of £32.9 million, equivalent to 6.00 pence per share, due to be completed in the third quarter of the year.

Craig Gentle, Chief Financial Officer
29 July 2024

Summary financial information

	Page reference	**Six months ended 30 June 2024**	Six months ended 30 June 2023	Year ended 31 December 2023
FUM-based metrics				
Gross inflows (£'Billion)	15	**8.5**	8.0	15.4
Net inflows (£'Billion)	15	**1.9**	3.4	5.1
Total FUM (£'Billion)	15	**181.9**	157.5	168.2
Total FUM in gestation (£'Billion)	16	**49.5**	47.2	47.6
IFRS-based metrics				
IFRS profit/(loss) after tax (£'Million)	18	**165.1**	161.7	(9.9)
IFRS profit/(loss) before shareholder tax (£'Million)	18	**225.1**	215.7	(4.5)
Underlying profit/(loss) before shareholder tax (£'Million)	19	**222.0**	215.8	(8.0)
IFRS basic earnings per share (EPS) (Pence)		**30.1**	29.6	(1.8)
IFRS diluted EPS (Pence)		**29.9**	29.5	(1.8)
IFRS net asset value per share (Pence)		**201.1**	227.1	179.3
Dividend per share (Pence)		**6.00**	15.83	23.83
Cash result-based metrics				
Controllable expenses (£'Million)	22	**144.9**	134.0	283.3
Underlying cash result (£'Million)	22	**205.2**	207.1	392.4
Cash result (£'Million)	22	**202.2**	202.4	68.7
Underlying cash result basic EPS (Pence)		**37.4**	37.9	71.7
Underlying cash result diluted EPS (Pence)		**37.1**	37.7	70.5
EEV-based metrics				
EEV operating profit/(loss) after exceptional items before tax (£'Million)	32	**793.1**	(119.1)	(1,891.6)
EEV operating profit/(loss) after exceptional items after tax basic EPS (Pence)		**108.8**	(16.9)	(260.6)
EEV operating profit/(loss) after exceptional items after tax diluted EPS (Pence)		**107.9**	(16.9)	(256.5)
EEV net asset value per share (£)		**15.71**	16.28	14.11
Solvency-based metrics				
Solvency II net assets (£'Million)	37	**1,251.1**	1,351.3	1,133.0
Management solvency buffer (£'Million)	37	**539.9**	527.1	529.5
Solvency II free assets (£'Million)	37	**1,682.6**	1,760.0	1,572.1
Solvency ratio (Percentage)	37	**188%**	151%	191%

The Cash result should not be confused with the IFRS Condensed 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

As set out on page 15 and below, FUM is a key driver of ongoing profitability on all measures, and so information on growth in FUM is provided in Section 1.

Find out more on pages 15 to 17.

Section 2

Performance measurement

2.1 International Financial Reporting Standards (IFRS)
2.2 Cash result
2.3 European Embedded Value (EEV)

Section 2 analyses the performance of the business using three different bases: IFRS, the Cash result, and EEV.

Find out more on pages 18 to 36.

Section 3

Solvency

Section 3 addresses solvency, which is an important area given the multiple regulated activities carried out within the Group.

Find out more on pages 37 and 38.

Our financial business model

Our financial business model is straightforward. We generate revenue by attracting clients through the value of our proposition, who trust us with their investments and then stay with us. This grows our funds under management (FUM), on which we receive:

- advice charges for the provision of valuable, face-to-face advice; and
- product charges for our manufactured investment, pension and ISA/unit trust products.

Further information on our charges can be found on our website: www.sjp.co.uk/charges. A breakdown of fee and commission income, our primary source of revenue under IFRS, is set out in Note 4 on page 53.

The primary source of the Group's profit is the income we receive from annual product management charges on FUM. However, under our current charging structure, most of our investment and pension products are structured so that annual product management charges are not taken for the first six years after the business is written. This means that the Group has six years' worth of FUM in the 'gestation' period that is not generating annual product management charges, but will 'mature' over a six-year period and begin to contribute annual product management charges.

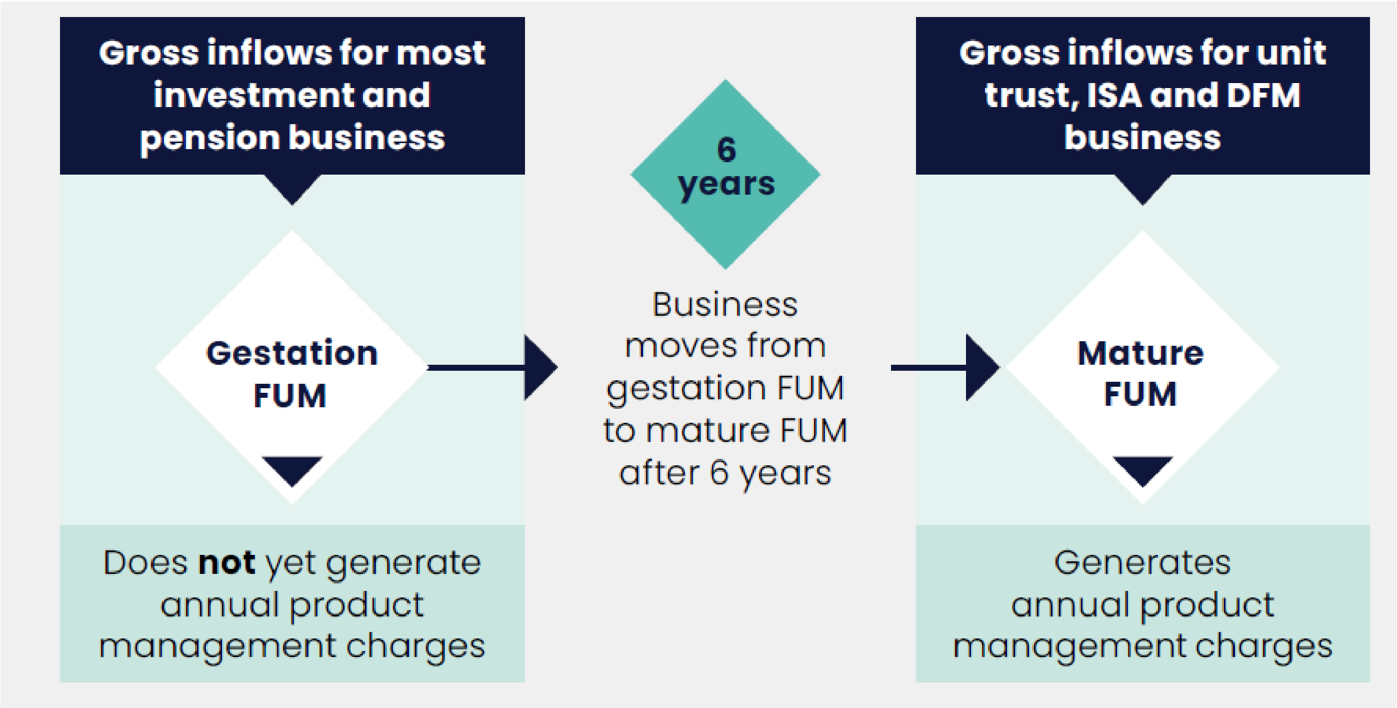
We will be simplifying our charging structure from the middle of 2025 and new business will no longer enter a gestation period, but in the meantime, gestation FUM represents a significant store of shareholder value.

Initial and ongoing advice charges, and initial product charges levied when a client first invests into one of our products, are not major drivers of the Group's profitability, because:

- most advice charges received are offset by corresponding remuneration for Partners, so an increase in these revenue streams will correspond with an increase in the associated expense and vice versa; and
- under IFRS, initial product charges are spread over the expected life of the investment through deferred income (DIR – see page 20 for further detail). The contribution to the IFRS result from spreading these historic charges can be seen in Note 4 as amortisation of DIR. Initial product charges contribute immediately to our Cash result through margin arising on new business.

Our income is used to meet overheads, pay ongoing product expenses and invest in the business. Controllable expenses, being the costs of running the Group's infrastructure, the Academy and development expenses, are carefully managed to ensure strong discipline on costs. Other ongoing expenses, including payments to Partners, increase with business levels and are generally aligned with product charges.

Gross inflows into FUM



Section 1: Funds under management

1.1 FUM analysis

Our financial business model is to attract and retain FUM, on which we receive an annual management fee. As a result, the level of income we receive is ultimately dependent on the value of our FUM, and so its growth is a clear driver of future growth in profits. The key drivers for FUM are:

- our ability to attract new funds in the form of gross inflows;
- our ability to retain FUM by keeping unplanned withdrawals at a low level; and
- net investment returns.

The following table shows how FUM evolved during the six months to 30 June 2024 and 30 June 2023, and the year to 31 December 2023. Investment return is presented net of all charges.

	Six months ended 30 June 2024				Six months ended 30 June 2023	Year ended 31 December 2023
	Investment	**Pension**	**UT/ISA and DFM**	**Total**		
	£'Billion	**£'Billion**	**£'Billion**	**£'Billion**	£'Billion	£'Billion
Opening FUM	**35.99**	**87.32**	**44.89**	**168.20**	148.37	148.37
Gross inflows	**1.00**	**5.59**	**1.94**	**8.53**	8.04	15.39
Net investment return	**2.24**	**6.53**	**2.98**	**11.75**	5.71	14.71
Regular income withdrawals and maturities	**(0.19)**	**(1.68)**	**–**	**(1.87)**	(1.27)	(2.77)
Surrenders and part-surrenders	**(1.14)**	**(1.50)**	**(2.11)**	**(4.75)**	(3.33)	(7.50)
Closing FUM	**37.90**	**96.26**	**47.70**	**181.86**	157.52	168.20
Net (outflows)/inflows	**(0.33)**	**2.41**	**(0.17)**	**1.91**	3.44	5.12
Implied surrender rate as a percentage of average FUM	**6.2%**	**3.3%**	**9.1%**	**5.4%**	4.4%	4.7%

Included in the table above is:

- Rowan Dartington Group FUM of £3.53 billion at 30 June 2024 (30 June 2023: £3.33 billion, 31 December 2023: £3.43 billion), gross inflows of £0.14 billion for the period (six months to 30 June 2023: £0.20 billion, year to 31 December 2023: £0.36 billion) and outflows of £0.12 billion for the period (six months to 30 June 2023: £0.09 billion, year to 31 December 2023: £0.18 billion); and
- SJP Asia FUM of £1.77 billion at 30 June 2024 (30 June 2023: £1.62 billion, 31 December 2023: £1.72 billion), gross inflows of £0.11 billion for the period (six months to 30 June 2023: £0.12 billion, year to 31 December 2023: £0.21 billion) and outflows of £0.11 billion for the period (six months to 30 June 2023: £0.06 billion, year to 31 December 2023: £0.15 billion).

The following table shows the significant net inflows and the progression of FUM over recent periods:

	Opening FUM	**Net inflows**	**Investment return**	**Closing FUM**
Period	**£'Billion**	**£'Billion**	**£'Billion**	**£'Billion**
Six months to 30 June 2024	**168.2**	**1.9**	**11.8**	**181.9**
Year to 31 December 2023	148.4	5.1	14.7	168.2
Year to 31 December 2022	154.0	9.8	(15.4)	148.4
Year to 31 December 2021	129.3	11.0	13.7	154.0
Year to 31 December 2020	117.0	8.2	4.1	129.3
Year to 31 December 2019	95.6	9.0	12.4	117.0

The table below provides a geographical and investment-type analysis of FUM at the end of each period:

	30 June 2024		30 June 2023		31 December 2023	
	£'Billion	**Percentage of total**	£'Billion	Percentage of total	£'Billion	Percentage of total
North American equities	**66.8**	**37%**	52.2	33%	57.4	34%
Fixed income securities	**29.6**	**16%**	24.4	16%	27.1	16%
European equities	**26.2**	**14%**	22.0	14%	23.6	14%
Asia and Pacific equities	**22.9**	**13%**	19.6	12%	20.5	12%
UK equities	**15.0**	**8%**	16.0	10%	16.0	10%
Alternative investments	**8.6**	**5%**	11.9	8%	10.5	6%
Cash	**6.7**	**4%**	6.1	4%	7.2	4%
Other	**4.5**	**2%**	3.3	2%	4.1	3%
Property	**1.6**	**1%**	2.0	1%	1.8	1%
Total	**181.9**	**100%**	157.5	100%	168.2	100%

1.2 Gestation

As explained in our financial business model on page 14, due to our current product structure, there is a significant amount of FUM that has not yet started to contribute net income to the Cash result.

When we attract new FUM there is a margin arising on new business that emerges at the point of investment, which is a surplus of income over and above the initial costs incurred at the outset. Within our Cash result presentation this is recognised as it arises, but it is deferred under IFRS.

Once the margin arising on new business has been recognised, the pattern of future emergence of cash from annual product management charges differs by product. Broadly, annual product management charges from unit trust and ISA business begin contributing positively to the Cash result from day one, whilst investment and pensions business enters a six-year gestation period during which no net income from FUM is included in the Cash result. Once this business has reached its six-year maturity point, it starts contributing positively to the Cash result, and will continue to do so in each year that it remains with the Group. Approximately 53% of gross inflows for 2024, after initial charges, moved into gestation FUM (six months to 30 June 2023: 54%, year to 31 December 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 as at 30 June 2024, as well as at the year-end for the past five years. The value of both mature and gestation FUM is impacted by investment return as well as net inflows.

	Mature FUM contributing to the Cash result	**Gestation FUM that will contribute to the Cash result in the future**	**Total FUM**
Position as at	**£'Billion**	**£'Billion**	**£'Billion**
30 June 2024	**132.4**	**49.5**	**181.9**
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
31 December 2019	76.8	40.2	117.0

We will be simplifying our charging structure in the second half of 2025 following a period of investment in the required systems and processes. Under the revised charging structure, new business will no longer enter a period of gestation and the existing gestation business at the point of implementation will gradually mature, after which 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 the reduction in fees in the gestation period element of the Cash result could unwind, and so how the gestation balance of £49.5 billion at 30 June 2024 may start to contribute to the Cash result over the next six years and beyond:

Year	Cumulative gestation FUM maturity profile £'Billion	Gestation FUM future contribution to the post-tax Cash result £'Million
2024	**3.6**	**31.2**
2025	10.7	78.5
2026	18.4	109.6
2027	27.0	161.3
2028	36.4	217.7
2029	45.2	269.8
2030 onwards	49.5	295.5

The contribution of gestation FUM to the Cash result shown in the table above allows for a reduction in ongoing charges in the second half of 2025 as we simplify our charging structure. 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. Actual emergence in the Cash result will reflect the varying business mix of the relevant cohort and business experience.

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 a wealth management group 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 clearest presentation for users who are trying to understand our wealth management business.

Key examples of this include the following:

- our IFRS Condensed 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; and

- our IFRS Condensed 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 £182.3 billion of policyholder assets and liabilities recognised in our IFRS Condensed Consolidated Statement of Financial Position, which represented over 97% of our IFRS total assets at 30 June 2024.

To address this, we developed alternative performance measures (APMs) with the objective of stripping out the policyholder element to present solely shareholder-impacting balances, as well as removing items such as deferred acquisition costs and deferred income to reflect Solvency II recognition requirements and to better match the way in which cash emerges from the business. We therefore present our financial performance and position on three different bases, using a range of APMs to supplement our IFRS reporting. The three different bases, which are consistent with those presented last year, are:

- International Financial Reporting Standards (IFRS);
- Cash result; and
- 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. A complete glossary of APMs is set out on pages 96 to 99, in which we define each APM used in our financial review, explain why it is used and, if applicable, explain how the measure can be reconciled to the IFRS Condensed Consolidated Financial Statements.

2.1 International Financial Reporting Standards (IFRS)

The following table demonstrates the way in which IFRS profit is presented in the Condensed Consolidated Statement of Comprehensive Income:

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
IFRS profit before tax	**577.0**	385.0	439.6
Policyholder tax	**(351.9)**	(169.3)	(444.1)
IFRS profit/(loss) before shareholder tax	**225.1**	215.7	(4.5)
Shareholder tax	**(60.0)**	(54.0)	(5.4)
IFRS profit/(loss) after tax	**165.1**	161.7	(9.9)

As referenced above, our IFRS results are impacted by 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. The scale and direction of these amounts can vary significantly: for example, in the first half of 2024 we deducted £351.9 million from clients due to investment market gains which flowed through our IFRS profit before tax as income, compared to an equivalent deduction of £169.3 million in the first half of 2023, resulting in a period-on-period impact of £182.6 million. See Note 4 Fee and commission income for further information.

To address the challenge of policyholder tax being included in the IFRS results we focus on the following two APMs, based on IFRS, as our pre-tax metrics:

- IFRS profit before shareholder tax; and
- underlying profit.

Further information on these IFRS-based measures is set out below.

Profit before shareholder tax

This is a profit measure based on IFRS which aims to remove the impact of policyholder tax. The policyholder tax expense or credit is typically matched by an equivalent deduction or credit from the relevant funds, which is recorded within Fee and commission income in the Condensed Consolidated Statement of Comprehensive Income. Policyholder tax does not therefore normally impact the Group's overall profit after tax.

However, in both the current and prior year IFRS profit before shareholder tax and IFRS profit after tax have been impacted by another nuance of life insurance tax, which has acted to reduce these balances.

As set out above, life insurance tax incorporates a policyholder tax element, and 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 Condensed 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 Condensed 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.

Under normal conditions this asymmetry is small, but market volatility can result in significant balances. Market gains in the six months to 30 June 2024 have resulted in a negative policyholder tax asymmetry impact of £33.4 million, compared to a negative impact of £17.5 million in the six months to 30 June 2023. This leads to a negative £15.9 million period-on-period difference in both IFRS profit after tax and IFRS profit before shareholder tax, which can be seen in the underlying profit to Cash result reconciliation on page 21.

Ultimately the effect of the policyholder tax asymmetry will be eliminated from the Condensed Consolidated Statement of Financial Position, and so it is temporary and we expect it to reverse over time.

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 6 Income and deferred taxes.

Underlying profit

This is IFRS profit before shareholder tax (as calculated above) adjusted to remove the impact of accounting for deferred acquisition costs (DAC), deferred income (DIR) and the purchased value of in-force business (PVIF).

IFRS requires certain upfront expenses incurred and income received to be deferred. The deferred amounts are initially recognised on the Condensed Consolidated Statement of Financial Position as a DAC asset and DIR liability, which are subsequently amortised to the Condensed Consolidated Statement of Comprehensive Income over a future period. Substantially all of the Group's deferred expenses are amortised over a 14-year period, and substantially all deferred income is amortised over a six-year period.

The impact of accounting for DAC, DIR and PVIF in the IFRS result is that there is a significant accounting timing difference between the emergence of accounting profits and actual cash flows. For this reason, Underlying profit is considered to be a helpful metric. The following table demonstrates the way in which IFRS profit reconciles to Underlying profit.

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
IFRS profit/(loss) before shareholder tax	**225.1**	215.7	(4.5)
Remove the impact of movements in DAC/DIR/PVIF	**(3.1)**	0.1	(3.5)
Underlying profit/(loss) before shareholder tax	**222.0**	215.8	(8.0)

The impact of movements in DAC, DIR and PVIF on IFRS profit before shareholder tax is further analysed as follows. Due to policyholder tax on DIR, the amortisation of DIR and DIR on new business for the period set out below cannot be agreed to those set out in Note 7, which is presented before both policyholder tax and shareholder tax.

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
Amortisation of DAC	**(31.6)**	(36.1)	(72.2)
DAC on new business for the period	**22.3**	20.9	39.9
Net impact of DAC	**(9.3)**	(15.2)	(32.3)
Amortisation of DIR	**71.0**	74.6	149.3
DIR on new business for the period	**(57.0)**	(57.9)	(110.3)
Net impact of DIR	**14.0**	16.7	39.0
Amortisation of PVIF	**(1.6)**	(1.6)	(3.2)
Movement in the period	**3.1**	(0.1)	3.5

Net impact of DAC

The scale of the £9.3 million negative overall impact of DAC on the IFRS result (six months to 30 June 2023: negative £15.2 million, year to 31 December 2023: negative £32.3 million) is largely due to changes arising from the 2013 Retail Distribution Review (RDR). After these changes, the level of expenses that qualified for deferral reduced significantly, but the large balance accrued previously is still being amortised. As deferred expenses are amortised over a 14-year period there is a significant transition period, which could last until 2027, over which the amortisation of pre-RDR expenses previously deferred will significantly outweigh new post-RDR expenses deferred despite significant business growth, resulting in a net negative impact on IFRS profits.

Net impact of DIR

The new business income deferred and the income released from the deferred income liability has remained broadly static in the first half of 2024. Together, these effects mean that DIR has had a positive £14.0 million impact on the IFRS result in the six months to 30 June 2024 (six months to 30 June 2023: £16.7 million positive, year to 31 December 2023: £39.0 million positive).

The simplification of our charging structure in the second half of 2025 will see the removal of initial product fees and result in immaterial income being deferred from this point onwards. The existing DIR liability from the point of implementation of our simplified charging structure will continue to amortise over a further period of six years.

2.2 Cash result

The Cash result is used by the Board to assess and monitor the level of cash profit (net of tax) generated by the business. It 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. 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 Condensed 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 Cash result reconciles to Underlying profit, as presented in Section 2.1, as follows.

	Six months ended 30 June 2024		Six months ended 30 June 2023		Year ended 31 December 2023	
	Before Shareholder tax	**After tax**	Before Shareholder tax	After tax	Before Shareholder tax	After tax
	£'Million	**£'Million**	£'Million	£'Million	£'Million	£'Million
Underlying profit/(loss)	**222.0**	**162.5**	215.8	161.4	(8.0)	(13.0)
Impact of policyholder tax asymmetry	**33.4**	**33.4**	17.5	17.5	44.4	44.4
Equity-settled share-based payments	**2.1**	**2.1**	9.9	9.9	5.4	5.4
Impact of deferred tax	**–**	**9.2**	–	12.1	–	24.9
Other	**(2.2)**	**(5.0)**	5.0	1.5	15.2	7.0
Cash result	**255.2**	**202.2**	248.2	202.4	57.0	68.7

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 dependent on market conditions. For further explanation, refer to page 19.

Equity-settled share-based payments represent the expense associated with a number of equity-settled share schemes across the Group. The expense has reduced in the six months to 30 June 2024 compared to the same period in 2023, reflecting a reduction in the anticipated vesting rate on specific schemes.

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. This has already been recognised under IFRS, through the establishment of deferred tax assets. More information can be found in Note 6 within the IFRS Condensed 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.

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; and

- **Cash result**

  This measure includes items of a one-off nature and temporary timing differences.

Consolidated cash result (presented post-tax)

	Note	Six months ended 30 June 2024 In-force £'Million	Six months ended 30 June 2024 New business £'Million	Six months ended 30 June 2024 Total £'Million	Six months ended 30 June 2023 Total £'Million	Year ended 30 December 2023 Total £'Million
Net annual management fee	1	**523.4**	**15.6**	**539.0**	497.7	1,000.8
Reduction in fees in gestation period	1	**(214.2)**	**-**	**(214.2)**	(198.1)	(401.6)
Net income from FUM	1	**309.2**	**15.6**	**324.8**	299.6	599.2
Margin arising from new business	2	**-**	**53.7**	**53.7**	53.0	104.5
Controllable expenses	3	**(11.0)**	**(133.9)**	**(144.9)**	(134.0)	(283.3)
Asia – net investment	4	**-**	**(4.5)**	**(4.5)**	(10.8)	(19.4)
DFM – net investment	4	**-**	**(2.3)**	**(2.3)**	(2.6)	(6.4)
Regulatory fees and FSCS levy	5	**(1.5)**	**(13.8)**	**(15.3)**	(16.5)	(23.1)
Shareholder interest	6	**36.3**	**-**	**36.3**	27.5	61.8
Tax relief from capital losses	7	**-**	**-**	**-**	2.1	2.1
Charge structure implementation costs	8	**-**	**(25.0)**	**(25.0)**	-	(7.2)
Miscellaneous	9	**(17.6)**	**-**	**(17.6)**	(11.2)	(35.8)
Underlying cash result		**315.4**	**(110.2)**	**205.2**	207.1	392.4
Establishment of Ongoing Service Evidence provision	10	**-**	**-**	**-**	-	(323.7)
Variance	11	**(3.0)**	**-**	**(3.0)**	(4.7)	-
Cash result		**312.4**	**(110.2)**	**202.2**	202.4	68.7

The Cash result comprises the emergence of cash from in-force business of £312.4 million (six months to 30 June 2023: £286.8 million, year to 31 December 2023: £222.5 million) and an investment in new business of £110.2 million (six months to 30 June 2023: £84.4 million, year to 31 December 2023: £153.8 million)

Notes to the Cash result

1. Net income from FUM

The **net annual management fee** is the net 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.

As noted on page 14, however, our investment and pension business product structure means that these products do not generate 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 reflects the net annual management fee after the reduction in fees in the gestation period, representing the Cash result income from FUM that has reached maturity.

The average rate of net income can vary over time with business mix. Each product has standard fees, but they vary between products and their historic versions, with products also subject to different tax treatments, particularly life insurance tax on onshore investment business. To allow for this annual variation, we guide to a margin range, with the range being applicable to average mature FUM, excluding discretionary fund management (DFM) and Asia FUM.

For the first half of 2024, our net income from FUM is consistent with our margin range of 0.54% to 0.56%, reflecting the introduction in the second half of 2023 of a charge cap applicable to client bonds and pension investments with a duration longer than ten years, together with the 25% rate of corporation tax being applicable throughout 2024.

Following the simplification of our charging structure in the second half of 2025, the range will reduce by 0.11%, resulting in a range from 0.43% to 0.45%. However, new business after this date will no longer enter a period of gestation and so once the existing gestation FUM has matured over a six-year period there will be no further gestation FUM, and the margin will apply to all FUM.

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

2. Margin arising from new business

This is the net positive Cash result impact of new business in the year, reflecting initial charges levied on gross inflows and 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 behind this line.

However, the **margin arising from new business** also contains some fixed expenses, and elements which do not vary exactly in line with gross inflows. For example, our third-party administration tariff structure includes a fixed fee, and to provide some stability for Partner businesses, elements of our support for them are linked to prior-year new business levels.

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 those which do not vary with business volumes, including the costs of running the Group's infrastructure, development expenses and the costs associated with running our Academy. Growth in controllable expenses has been contained to 10% on a pre-tax basis, with the increase driven by the phasing of development expenses which are weighted towards the first half of the year. This is equivalent to an 8% increase on a post-tax basis as presented in the Cash result, reflecting the corporation tax of 25% being applicable for the whole year.

4. Asia and DFM

These lines represent the net income from Asia and DFM FUM, including the Asia and DFM expenses set out in the reconciliation on page 25 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. Investment in Asia has reduced, reflecting the restructuring undertaken during the prior year. Investment in DFM is anticipated to reduce sharply as it is in the final stages of a back-office restructuring programme that is expected to result in the business materially breaking even by the end of the year.

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:

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
FSCS levy	**8.7**	10.2	10.0
Regulatory fees	**6.6**	6.3	13.1
Regulatory fees and FSCS levy	**15.3**	16.5	23.1

Our position as a market-leading provider of advice means we make a very substantial contribution to supporting the FSCS, thereby providing protection for clients of other businesses in the sector that fail. The FSCS levy in 2024 remains at a level below that typically seen in recent years, as a result of the FSCS having a surplus brought forward.

6. Shareholder interest

This is the income accruing on shareholder 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. It has increased significantly period-on-period following rises in the Bank of England base rate.

7. Tax relief from capital losses

A deferred tax asset was previously recognised under IFRS for historic capital losses which were regarded as being capable of utilisation over the medium term. The tax asset was ignored for Cash result purposes as it was not fungible, but instead the cash benefit realised when losses were utilised were shown in the tax relief from capital losses line. Due to the utilisation in full of the remaining stock of capital losses in 2023, this is no longer a feature of the Cash result.

8. Charge structure implementation costs

We announced in October 2023 that we would be simplifying our charging structure and disaggregating 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 have commenced a broad and complex programme to accommodate these changes, investing £140 to £160 million over a two-year period to develop our systems and processes to support the new charging structure to be implemented in the second half of 2025.

9. 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.

10. 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. More information can be found in Note 11 within the IFRS Condensed Consolidated Financial Statements.

11. Variance

The variance recognised at the half-year reflects an allowance for fewer days of AMC income in the first half compared to the second half. It will reverse in the second half of the year and will not feature in the full year Cash result.

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 Condensed 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:

	Six months ended 30 June 2024			Six months ended 30 June 2023			Year ended 31 December 2023		
	Before tax	**Tax rate**	**After tax**	Before tax	Tax rate	After tax	Before tax	Tax rate	After tax
	£'Million	**Percentage**	**£'Million**	£'Million	Percentage	£'Million	£'Million	Percentage	£'Million
Controllable expenses	**193.2**	**25.0%**	**144.9**	175.2	23.5%	134.0	370.4	23.5%	283.3
Regulatory fees and FSCS levy	**20.4**	**25.0%**	**15.3**	21.6	23.5%	16.5	30.2	23.5%	23.1
Charge structure implementation costs	**33.3**	**25.0%**	**25.0**	-	-	-	9.4	23.5%	7.2
Total expenses presented on the face of the Cash result	**246.9**		**185.2**	196.8		150.5	410.0		313.6

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

	Six months ended 30 June 2024	Six months ended 30 June 2023[1]	Year ended 31 December 2023
	£'Million	£'Million	£'Million
Total expenses presented on the face of the Cash result before tax	**246.9**	196.8	410.0
Expenses which vary with business volumes			
Other performance-related costs	**76.4**	76.3	147.4
Payments to Partners	**551.5**	511.9	1,013.2
Investment expenses	**54.2**	48.2	96.9
Third-party administration	**84.3**	79.1	151.8
Other[1]	**46.3**	37.7	513.3
Expenses relating to investment in specific areas of the business			
Asia expenses	**9.2**	13.9	26.5
DFM expenses	**15.4**	18.0	33.3
Total expenses included in the Cash result	**1,084.2**	981.9	2,392.4
Reconciling items to IFRS expenses			
Amortisation of DAC and PVIF, net of additions	**11.0**	16.9	35.5
Equity-settled share-based payments expenses	**2.1**	9.9	5.4
Insurance contract expenses presented elsewhere	**0.7**	(2.1)	2.4
Other	**(0.5)**	1.3	(2.4)
Total IFRS Group expenses before tax	**1,097.5**	1,007.9	2,433.3

[1] Restated to reclassify interest paid of £7.0 million to Other finance income.

Expenses which vary with business volumes

Other performance-related costs, for both Partners and employees, vary with the level of new business and the financial 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 operating costs of acquired financial adviser businesses, donations to the St. James's Place Charitable Foundation and complaint costs. They are recognised across various lines in the Cash result.

Expenses relating to investment in specific areas of the business

Asia expenses and **DFM expenses** both reflect disciplined expense control during the year, whilst continuing to invest to support growth.

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.

Derivation of the Cash result

The Cash result is derived from the IFRS Condensed Consolidated Statement of Financial Position in a two-stage process:

Stage 1: Solvency II Net Assets Balance Sheet

Firstly, the IFRS Condensed 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 30 June 2024.

						Solvency II Net Assets	
		IFRS Balance Sheet	**Adjustment 1**	**Adjustment 2**	**Solvency II Net Assets Balance Sheet**	30 June 2023	31 December 2023
30 June 2024	Note	**£'Million**	**£'Million**	**£'Million**	**£'Million**	£'Million	£'Million
Assets							
Goodwill	1	**33.6**	**–**	**(33.6)**	**–**	–	–
Deferred acquisition costs	2	**295.0**	**–**	**(295.0)**	**–**	–	–
Purchased value of in-force business	1	**6.4**	**–**	**(6.4)**	**–**	–	–
Computer software	1	**21.2**	**–**	**(21.2)**	**–**	–	–
Property and equipment	3	**147.9**	**–**	**–**	**147.9**	156.8	153.1
Deferred tax assets	4	**13.2**	**–**	**(11.5)**	**1.7**	2.2	20.4
Investment in associates		**10.4**	**–**	**–**	**10.4**	4.7	10.2
Reinsurance assets		**15.9**	**–**	**(6.2)**	**9.7**	7.0	6.7
Other receivables	5	**4,023.8**	**(1,419.9)**	**(3.1)**	**2,600.8**	2,064.1	2,147.3
Investment property		**1,039.5**	**(1,039.5)**	**–**	**–**	–	–
Equities		**125,349.2**	**(125,349.2)**	**–**	**–**	–	–
Fixed income securities	6	**25,185.5**	**(25,177.1)**	**–**	**8.4**	8.0	8.2
Investment in Collective Investment Schemes	6	**21,432.2**	**(19,354.3)**	**–**	**2,077.9**	1,250.5	1,454.4
Derivative financial instruments		**3,828.0**	**(3,828.0)**	**–**	**–**	-	–
Cash and cash equivalents	6	**6,504.8**	**(6,155.4)**	**–**	**349.4**	268.7	285.4
Total assets		**187,906.6**	**(182,323.4)**	**(377.0)**	**5,206.2**	3,762.0	4,085.7
Liabilities							
Borrowings	7	**490.6**	**–**	**–**	**490.6**	189.2	251.4
Deferred tax liabilities	4	**565.2**	**–**	**2.5**	**567.7**	228.9	414.5
Insurance contract liabilities		**517.4**	**(453.9)**	**(38.8)**	**24.7**	20.1	18.2
Deferred income	2	**477.9**	**–**	**(477.9)**	**–**	–	–
Other provisions	8	**508.1**	**–**	**–**	**508.1**	55.5	500.1
Other payables	3, 9	**4,080.8**	**(1,780.5)**	**(10.7)**	**2,289.6**	1,890.4	1,757.0
Investment contract benefits		**133,823.5**	**(133,823.5)**	**–**	**–**	–	–
Derivative financial instruments		**2,807.5**	**(2,807.5)**	**–**	**–**	–	–
Net asset value attributable to unit holders		**43,458.0**	**(43,458.0)**	**–**	**–**	–	–
Income tax liabilities	10	**74.4**	**–**	**–**	**74.4**	26.6	11.5
Total liabilities		**186,803.4**	**(182,323.4)**	**(524.9)**	**3,955.1**	2,410.7	2,952.7
Net assets		**1,103.2**	**–**	**147.9**	**1,251.1**	1,351.3	1,133.0

Adjustment 1 strips out the policyholder interest in unit-linked assets and liabilities, to present solely shareholder-impacting balances.
Adjustment 2 removes items such as DAC, DIR, PVIF and their associated deferred tax balances from the IFRS Condensed Consolidated Statement of Financial Position to bring it in line with Solvency II recognition requirements.

Notes to the Solvency II Net Assets Balance Sheet

1. Goodwill / Purchased value of in-force business / Computer software
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.

The purchased value of in-force business 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 7 to the IFRS Condensed Consolidated Financial Statements for further detail.

2. Deferred acquisition costs / Deferred income
IFRS requires certain upfront expenses incurred and income received to be deferred. The deferred amounts are initially recognised on the IFRS Condensed Consolidated Statement of Financial Position as a DAC asset and DIR liability, which are subsequently amortised to the Condensed 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 7 to the IFRS Condensed 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 £114.6 million (30 June 2023: £124.5 million, 31 December 2023: £118.5 million). It has decreased over the period as the leased assets are depreciated.

Lease liabilities of £117.3 million are recognised within the other payables line (30 June 2023: £127.0 million, 31 December 2023: £120.5 million).

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 6 Income and deferred taxes within the IFRS Condensed Consolidated Financial Statements.

5. Other receivables
Other receivables on the Solvency II Net Assets Balance Sheet have increased from £2,147.3 million at 31 December 2023 to £2,600.8 million at 30 June 2024, principally reflecting an increase in short-term outstanding market trade settlements. Other receivables on the IFRS balance sheet have increased from £2,997.4 million at 31 December 2023 to £4,023.8 million at 30 June 2024, additionally reflecting receivables within policyholder funds.

Detailed breakdowns of other receivables can be found in Note 9 Other receivables within the IFRS Condensed Consolidated Financial Statements.

Within other receivables there are two items which merit further analysis:

Operational readiness prepayment

The operational readiness prepayment asset arose from the investment we have made into our back-office infrastructure project, which was a complex, multi-year programme. In addition to expensing our internal project costs through the IFRS Condensed Consolidated Statement of Comprehensive Income and Cash result as incurred, we capitalised Bluedoor development costs as a prepayment asset.

The asset, which stood at £272.3 million at 30 June 2024 (30 June 2023: £277.1 million, 31 December 2023: £283.5 million) has been amortising through the IFRS Condensed Consolidated Statement of Comprehensive Income and the Cash result since 2017 and will continue to do so over the remaining life of the contract.

The amortisation expense is recognised within third-party administration expenses in the IFRS result, and within the net annual management fee line of the Cash result. It is more than offset by the lower tariff charges on Bluedoor compared to the previous system, which grew as the business grew, benefiting both the IFRS and Cash results**.**

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 creates broad stakeholder benefits. First, clients benefit from enhanced continuity of St. James's Place advice and service over time; second, Partners are able to build and ultimately realise value in the high-quality and sustainable businesses they have created; and finally, the Group and, in turn, shareholders, benefit from high levels of adviser and client retention.

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. Over more than ten years, cumulative write-offs have totalled less than 5bps of gross loans advanced, with such low impairment experience attributable 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 table below.

	30 June 2024	30 June 2023	31 December 2023
Aggregate LTV across the total Partner lending book	**26%**	30%	29%
Proportion of the book where LTV is over 75%	**3%**	7%	5%
Net exposure to loans where LTV is over 100% (£'Million)	**7.6**	6.8	6.7

If FUM were to decrease by 10%, the net exposure to loans where LTV is over 100% at 30 June 2024 would increase to £8.1 million (30 June 2023: increase to £8.8 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. This means the Group is able to control repayments.

We have continued to facilitate business loans to Partners during the period and have also repurchased a proportion of the loans previously funded by third parties and guaranteed by the Group, with the majority of these loans transferring into our externally funded securitisation vehicle. Further information is provided in Note 9 Other receivables, Note 12 Borrowings and financial commitments and Note 16 Events after the end of the reporting period.

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Total business loans to Partners	**507.0**	400.2	408.0
Split by funding type:			
Business loans to Partners directly funded by the Group	**384.9**	362.2	340.8
Securitised business loans to Partners	**122.1**	38.0	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:

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Fixed interest securities	**8.4**	8.0	8.2
Investment in Collective Investment Schemes (AAA-rated money market funds)	**2,077.9**	1,250.5	1,454.4
Cash and cash equivalents	**349.4**	268.7	285.4
Total liquid assets	**2,435.7**	1,527.2	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 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 FUM in the gestation period becomes mature and is subject to annual product management charges. Unit trust and ISA business does not enter the gestation period, and so generates cash immediately from the point of investment.

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

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, including via the creation and execution of the securitisation vehicle referred to above. For accounting purposes we are obliged to disclose on our Condensed 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.

Senior unsecured corporate borrowings of £401.1 million at 30 June 2024 has increased from 31 December 2023, reflecting the drawing of an additional £250.0 million loan facility to provide additional funding certainty. Further information is provided in Note 12 Borrowings and financial commitments within the IFRS Condensed Consolidated Financial Statements.

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Corporate borrowings: bank loans	**250.0**	–	50.0
Corporate borrowings: loan notes	**151.1**	163.9	151.1
Senior unsecured corporate borrowings	**401.1**	163.9	201.1
Senior tranche of non-recourse securitisation loan notes	**89.5**	25.3	50.3
Total borrowings	**490.6**	189.2	251.4

8. Other Provisions

Further information on other provisions, including how the balance has moved period on period, is set out in Note 11 Other provisions and contingent liabilities within the IFRS Condensed Consolidated Financial Statements.

9. Other payables

Other payables on the Solvency II Net Assets Balance Sheet have increased from £1,757.0 million at 31 December 2023 to £2,289.6 million at 30 June 2024, largely due to an increase in short-term outstanding policy related settlements. Other payables on the IFRS balance sheet have increased from £2,388.1 million at 31 December 2023 to £ 4,080.8 million at 30 June 2024, additionally reflecting payables within policyholder funds.

Detailed breakdowns of other payables can be found in Note 10 Other payables within the IFRS Condensed Consolidated Financial Statements.

10. Income tax liabilities

The Group has an income tax liability of £74.4 million at 30 June 2024 compared to a liability of £11.5 million at 31 December 2023. This is due to a current tax charge of £253.1 million, tax paid in the year of £162.1 million and other credits of £28.1 million relating to interactions between current tax and other taxes such as deferred taxes. Further detail is provided in Note 6 Income and deferred taxes within the IFRS Condensed Consolidated Financial Statements.

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.

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
Opening Solvency II net assets	**1,133.0**	1,379.9	1,379.9
Dividend paid	**(43.9)**	(203.3)	(289.9)
Issue of share capital and exercise of options	**-**	6.4	6.8
Consideration paid for own shares	**(3.6)**	(0.5)	(0.5)
Change in deferred tax	**(9.2)**	(12.1)	(24.9)
Impact of policyholder tax asymmetry	**(33.4)**	(17.5)	(44.4)
Reassurance recapture add-back	**-**	-	39.8
Change in goodwill, intangibles and other non-cash movements	**6.0**	(4.0)	(2.5)
Cash result	**202.2**	202.4	68.7
Closing Solvency II net assets	**1,251.1**	1,351.3	1,133.0

Further detail can be found in the Consolidated Financial Statements on a Cash Result Basis on pages 88 - 94.

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 Chief Financial Officers Forum (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. The table below and accompanying notes summarise the profit before tax of the combined business.

	Note	**Six months ended 30 June 2024**	Six months ended 30 June 2023	Year ended 31 December 2023
		£'Million	£'Million	£'Million
Funds management business	1	**633.1**	818.7	1,234.3
Distribution business	2	**(35.9)**	(34.1)	(68.3)
Other		**(51.3)**	(44.5)	(125.0)
EEV operating profit before exceptional items		**545.9**	740.1	1,041.0
Exceptional item: Charge structure	3	**247.2**	(859.2)	(2,506.6)
Exceptional item: Ongoing Service Evidence provision	3	**-**	-	(426.0)
EEV operating profit/(loss) after exceptional items		**793.1**	(119.1)	(1,891.6)
Investment return variance	4	**437.9**	157.6	501.7
Economic assumption changes	5	**(2.0)**	37.8	2.5
EEV profit/(loss) before tax		**1,229.0**	76.3	(1,387.4)
Tax		**(304.6)**	(20.6)	340.3
EEV profit/(loss) after tax		**924.4**	55.7	(1,047.1)

A reconciliation between EEV operating profit before tax and IFRS profit before tax is provided in Note 3 Segment reporting within the within the IFRS Condensed Consolidated Financial Statements.

Notes to the EEV result

1. Funds management business EEV operating profit before exceptional items

The funds management business operating profit has reduced to £633.1 million (six months to 30 June 2023: £818.7 million, year to 31 December 2023: £1,234.3 million) and a full analysis of the result is shown below:

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
New business contribution	**399.6**	463.7	695.4
Profit from existing business			
– unwind of the discount rate	**297.1**	346.8	506.0
– experience variance	**(76.1)**	(3.8)	(11.3)
– operating assumption change	**-**	-	13.9
Investment income	**12.5**	12.0	30.3
Funds management EEV operating profit before exceptional items	**633.1**	818.7	1,234.3

The **new business contribution** for the period at £399.6 million (six months to 30 June 2023: £463.7 million, year to 31 December 2023: £695.4 million) was 14% lower than the prior period, primarily reflecting the impact of changes to our charging structure described below.

The **unwind of the discount rate** for the period was lower at £297.1 million (six months to 30 June 2023: £346.8 million, year to 31 December 2023: £506.0 million), reflecting the decrease in the opening risk discount rate to 6.8% (2023: 7.0%), together with a lower value of in-force business after allowing for the changes to our charging structure described below.

The **experience variance** during the period was negative £76.1 million (six months to 30 June 2023: £3.8 million negative, year to 31 December 2023: £11.3 million negative). The change relative to 2023 principally reflects persistency experience in the period being lower than our long-term assumptions, which represent a best-estimate of likely experience over the lifetime of the in-force business.

The **impact of operating assumption changes** in the period was £nil (six months to 30 June 2023: £nil, year to 31 December 2023: positive £13.9 million). The impact in the prior year reflects a small improvement to the persistency assumptions for our offshore bond business.

2. Distribution business

The distribution loss includes the positive gross margin arising from advice income less payments to advisers, offset by the costs of supporting the Partnership and building the distribution capabilities in Asia. The reported loss has benefited from a reduction in the FSCS levy expense for our distribution business to £7.0 million (six months to 30 June 2023: £10.8 million, year to 31 December 2023: £10.6 million).

3. Exceptional items

The exceptional charges recorded in the prior periods reflected the impact on the opening position of changes to our charge structure announced during 2023 as well as the impact of a provision that we established following a review into the evidencing of historic ongoing servicing. The changes announced to our charge structure include:

- the change, announced in July 2023, to improve value for long-term clients by capping annual product management charges at 0.85% for bond and pension investments with a duration longer than ten years;
- the change, announced in October 2023, to simplify our charging structure in the second half of 2025.

The exceptional profit recorded in the current period reflects a revision to the anticipated impact of the charge structure changes for our UT/ISA product, reducing the exceptional impact recorded in the prior year.

4. Investment return variance

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 period was 7.7% after charges, compared to the assumed investment return of 2.6%. This resulted in an investment return variance of £437.9 million (six months to 30 June 2023: positive £157.6 million, year to 31 December 2023: positive £501.7 million).

5. Economic assumption changes

The negative variance of £2.0 million arising in the period (six months to 30 June 2023: positive £37.8 million, year to 31 December 2023: positive £2.5 million) reflects the impact of an increase in the risk-free rate and long-term inflation.

New business margin

The largest single element of the EEV operating profit (analysed in the previous section) is the new business contribution. The level of new business contribution generally moves in line with new business levels. To demonstrate this link, and aid understanding of the results, we provide additional analysis of the new business margin (the 'margin'). This is calculated as the new business contribution divided by the gross inflows, and is expressed as a percentage.

The table below presents the margin before tax from our manufactured business:

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
Investment			
New business contribution (£'Million)	**48.0**	67.4	96.6
Gross inflows (£'Billion)	**1.00**	1.10	2.09
Margin (%)	**4.8**	6.1	4.6
Pension			
New business contribution (£'Million)	**258.5**	256.6	469.2
Gross inflows (£'Billion)	**5.59**	4.89	9.77
Margin (%)	**4.6**	5.2	4.8
Unit trust and DFM			
New business contribution (£'Million)	**93.1**	139.7	129.6
Gross inflows (£'Billion)	**1.94**	2.05	3.53
Margin (%)	**4.8**	6.8	3.7
Total business			
New business contribution (£'Million)	**399.6**	463.7	695.4
Gross inflows (£'Billion)	**8.53**	8.04	15.39
Margin (%)	**4.7**	5.8	4.5
Post-tax margin (%)	**3.5**	4.3	3.4

The overall margin for the period was 4.7% (six months to 30 June 2023: 5.8%, year to 31 December 2023: 4.5%). This has reduced compared to the same period in 2023 reflecting the impact of the exceptional changes to our charge structure, which have subsequently been revised upwards for our UT/ISA product.

Economic assumptions

The principal economic assumptions used within the cash flows are set out below:

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
Risk-free rate	**4.3%**	4.5%	3.7%
Inflation rate	**3.6%**	3.6%	3.5%
Risk discount rate	**7.3%**	7.6%	6.8%
Future investment returns:			
– Gilts	**4.3%**	4.5%	3.7%
– Equities	**7.3%**	7.5%	6.7%
– Unit-linked funds	**6.5%**	6.8%	6.0%

The risk-free rate is set by reference to the yield on ten-year gilts. Other investment returns are set by reference to the risk-free rate.

The inflation rate is derived from the implicit inflation in the valuation of ten-year index-linked gilts. This rate is increased to reflect higher increases in earnings-related expenses.

EEV sensitivities

The table below shows the estimated impact on the reported value of new business and EEV to changes in various EEV-calculated assumptions. The sensitivities are specified by the EEV principles and reflect reasonably possible levels of change. In each case, only the indicated item is varied relative to the restated values.

		Change in new business contribution		Change in European Embedded Value
		Pre-tax	Post-tax	Post-tax
	Note	£'Million	£'Million	£'Million
Value at 30 June 2024		**399.6**	**301.6**	**8,618.1**
100bps reduction in risk-free rates, with corresponding change in fixed interest asset values	1	(4.2)	(3.2)	(60.9)
10% increase in withdrawal rates	2	(27.7)	(20.8)	(399.9)
10% reduction in market value of equity assets	3	–	–	(817.6)
10% increase in expenses	4	(4.7)	(3.5)	(72.5)
100bps increase in assumed inflation	5	(5.3)	(4.0)	(70.8)

Notes to the EEV sensitivities

1. This is the key economic basis change sensitivity. The business model is relatively insensitive to change in economic basis. Note that the sensitivity assumes a corresponding change in all investment returns but no change in inflation.
2. The 10% increase is applied to the withdrawal rate. For instance, if the withdrawal rate is 8% then a 10% increase would reflect a change to 8.8%.
3. For the purposes of this sensitivity all unit-linked funds are assumed to be invested in equities. The actual mix of assets varies and in recent years the proportion invested directly in UK and overseas equities has exceeded 70%.
4. For the purposes of this sensitivity only non-fixed elements of the expenses are increased by 10%.
5. This reflects a 100bps increase in the assumed RPI underlying the expense inflation calculation.

	Change in new business contribution		Change in European Embedded Value
	Pre-tax	Post-tax	Post-tax
	£'Million	£'Million	£'Million
100bps reduction in risk discount rate	52.6	39.5	684.5

Although not directly relevant under a market-consistent valuation, this sensitivity shows the level of adjustment which would be required to reflect differing investor views of risk.

Analysis of the EEV result

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

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Value of in-force business	**7,367.0**	7,581.5	6,606.1
Solvency II net assets	**1,251.1**	1,351.3	1,133.0
Total embedded value	**8,618.1**	8,932.8	7,739.1

	30 June 2024	30 June 2023	31 December 2023
	£	£	£
Net asset value per share	**15.71**	16.28	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 £255 million to our embedded value at 30 June 2024 (30 June 2023: approximately £290 million, 31 December 2023: approximately £250 million).

Section 3: Solvency

St. James's Place has a business model and risk appetite that results 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 which applied for the first time in 2016. Given the relative simplicity of our business compared to many, if not most, 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.

The Group's overall Solvency II net assets position, MSB, and management solvency ratios are as follows:

	Life	**Other regulated**	**Other**	**Total**	30 June 2023 Total	31 December 2023 Total
30 June 2024	**£'Million**	**£'Million**	**£'Million**	**£'Million**	£'Million	£'Million
Solvency II net assets	601.6	404.8	244.7	1,251.1	1,351.3	1,133.0
MSB	355.0	184.9	–	539.9	527.1	529.5
Management solvency ratio	**169%**	**219%**				

Solvency II Balance Sheet

Whilst we focus on Solvency II net assets and the MSB to manage solvency, we provide additional information about the Solvency II free asset position for information. The presentation starts from the same Solvency II net assets, but includes recognition of an asset in respect of the expected value of in-force (VIF) cash flows and a risk margin (RM) reflecting the potential cost to secure the transfer of the business to a third party.

The Solvency II net assets, VIF and RM comprise the 'own funds', which are assessed against our regulatory solvency capital requirement (SCR), reflecting the capital required to protect against a range of '1-in-200' stresses. The SCR is calculated on the standard formula approach. No allowance has been made for transitional provisions in the calculation of technical provisions or the SCR.

An analysis of the Solvency II position for our Group, split by regulated and non-regulated entities at the year-end, is presented in the table below:

	Life	**Other regulated**	**Other**	**Total**	30 June 2023 Total	31 December 2023 Total
30 June 2024	**£'Million**	**£'Million**	**£'Million**	**£'Million**	£'Million	£'Million
Solvency II net assets	601.6	404.8	244.7	1,251.1	1,351.3	1,133.0
Value of in-force (VIF)	2,664.9	–	–	2,664.9	5,289.9	2,485.2
Risk margin	(320.2)	–	–	(320.2)	(1,419.5)	(318.4)
Own funds (A)	**2,946.3**	**404.8**	**244.7**	**3,595.8**	5,221.7	3,299.8
Solvency capital requirement (B)	(1,791.1)	(122.1)	–	(1,913.2)	(3,461.7)	(1,727.7)
Solvency II free assets	**1,155.2**	**282.7**	**244.7**	**1,682.6**	1,760.0	1,572.1
Solvency ratio (A/B)	**164%**	**332%**		**188%**	151%	191%

The solvency ratio after payment of the proposed Group interim dividend is 186% at 30 June 2024 (30 June 2023: 148%, 31 December 2023: 188%).

We target a solvency ratio of 130% for St. James's Place UK plc, our largest insurance subsidiary. The combined solvency ratio for our life companies, after payment of the year-end intra-Group dividend, is 164% at 30 June 2024 (30 June 2023: 131%, 31 December 2023: 162%).

Risk and risk management

The Group's approach to risk management continues to provide assurance of SJP's financial and operational resilience.

The Risk and Risk Management section on pages 74 to 84 of the 2023 Annual Report and Accounts provides a comprehensive review of the principal risks facing the business, and the Group's approach to managing these risks. The section below highlights the key developments in the risk environment since the year-end Annual Report and Accounts.

Risk environment

Following a prolonged period of high inflation it has now fallen to meet the Bank of England's 2% long-term target for the first time since 2021. The Bank of England base rate rose to 5.25% in August of last year and there are increased expectations of reduction in the second half of 2024. The impact of the recent change in UK Government remains to be seen, with an Autumn budget expected to give more clarity on economic impacts of the new government's policies. However, the key potential financial risks for SJP remain consistent and arise through:

- increases in non-controllable expenses in particular arising through complaints management;
- reductions in asset prices;
- changes in new business levels due to factors such as shifting consumer confidence, market sentiment, government policy changes, reduced investable income and/or attraction of lower risk savings accounts;
- changes in withdrawal rates to maintain living standards or in response to consumer confidence and sentiment; and,
- increased financial pressure on Partner businesses, which are exposed to their own expense increases, including interest rate risk on borrowing, and pressure on revenue.

We expect and have shown in the stress and scenario testing carried out as part of our Own Risk and Solvency Assessment (ORSA) and Group dividend assessments, that the Group continues to remain resilient (from a solvency and liquidity perspective) to macroeconomic shocks (including inflation, interest rate shifts and increased withdrawals) as well as more extreme and prolonged operational events.

In October 2023, SJP announced important changes to its costs and charges for clients, which are expected to come into force in the second half of 2025. We believe the change improves our proposition for clients and as such will have long-term benefits for the business, and it also reflects the Group's long-term commitment to improving client outcomes. A significant programme of work is underway involving system developments in 2024. We are conscious of the implementation risks introduced through this significant change, with the need for strong change discipline and careful management to deliver this without undue operational risks that could impact client outcomes and/or financial risk through additional expenditure.

SJP has several other significant programmes of work underway, most notably work to manage elevated levels of complaints, primarily from Claims Management Companies (CMC). This includes the changes made to ensure more consistent, centralised evidence of the activities of the Partnership with clients to reduce the risk of clients not receiving an ongoing advice service of value to them. This also involves reviewing present and historic (since the start of 2018) evidential standards for ongoing advice, switching off ongoing advice charges for clients where an ongoing annual advice service is not sufficiently evidenced, and refunding clients for previous charges where evidence of delivery falls below an acceptable standard. The estimated financial cost of this was recognised in 2023 year-end accounts based on an informed set of assumptions, as set out in the 2023 Annual Report and Accounts. No change is considered necessary to these assumptions or to the disclosures of estimation uncertainty made at the last year end.

We have embraced the significant regulatory change agenda, including Consumer Duty which requires continuous monitoring of client outcomes. We have been working on improving and embedding our governance arrangements, including for closed products ahead of July 2024. Looking forward, SJP will continue to focus on embedding activity to monitor and assess client outcomes, and ensuring good outcomes are central to our SJP strategy.

The Board has been and continues to be actively involved in defining responses to macroeconomic trends, regulatory change, emerging risks and threats as they arise. Timely and targeted risk-based information has been provided to the Board to continue to support decision-making and help in the understanding of key issues to ensure risks are mitigated and opportunities are identified. The risk activity undertaken in the past 12 months demonstrates that SJP continues to remain resilient to the potential threats it faces.

Principal risks and uncertainties

A summary of the principal risks and uncertainties which could impact the Group for the remainder of the current financial year have been provided in the table below.

	Risk description	Risk considerations	Mitigations/controls
Client proposition	Our product proposition fails to meet the needs, objectives and expectations of our clients. This includes poor relative investment performance and poor product design.	• Investments provide poor returns relative to their benchmarks or peers and/or do not deliver expected client outcomes. • Range of solutions does not align with the product and service requirements of our current and potential future clients. • Failure to meet client expectations of a sustainable business, not least in respect of climate change and responsible investing.	• 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, managers are changed in the most effective way possible (other actions include reducing fees). • Continuous review and development of the range of services offered to clients. • Engagement with fund managers around principles of responsible investment.
Conduct	We fail to provide quality, suitable advice or service to clients.	• Advisers deliver poor-quality or unsuitable advice. • Failure to evidence the provision of good-quality service and advice. • Increasing complaint volumes.	• Licensing programme which supports the quality of advice and service from advisers. • Technical support helplines for advisers. • Client complaint handling process and reporting. • Evidence of ongoing servicing of clients and charge switch-off process where ongoing advice is not sufficiently evidenced. • Review of the provision of ongoing advice services in line with expectations and acceptable evidential standards, and refund of charges as appropriate. • Robust oversight process of the advice provided to clients delivered by Business Assurance, Field Risk, Advice Guidance and Compliance Monitoring teams. • Partner financial monitoring.
Financial	We fail to effectively manage the business's finances.	• Failure to meet client liabilities. • Investment/market risk. • Credit risk. • Liquidity risk. • Insurance risk. • Expense risk.	• Policyholder liabilities are fully matched. • Excess assets generally invested in high-quality, high-liquidity cash and cash equivalents. • Direct lending to the Partnership is secured. • Part-reinsurance of insurance risks. • Ongoing monitoring of all risk exposures and experience analysis. • Setting and monitoring budgets. • Monitoring and management of subsidiaries' solvency to minimise Group interdependency.
Partner proposition	Our proposition solution fails to meet the needs, objectives and expectations of	• Failure to attract new members of the Partnership. • Failure to retain advisers.	• Focus on providing a market-leading Partner proposition. • Adequately skilled and resourced population of supporting field managers.

	Risk description	Risk considerations	Mitigations/controls
	our current and potential future advisers.	• Failure to increase adviser productivity. • Available technology falls short of client and adviser expectations and fails to support growth objectives. • The Academy does not adequately support growth of the Partnership.	• Reliable systems and administration support. • Expanding the Academy capacity and supporting recruits through the Academy and beyond. • Market leading support to Partners' businesses.
People	We are unable to attract, retain and organise the right people to run the business.	• Failure to attract and retain personnel with key skills. • Poor employee engagement. • Failure to create an inclusive and diverse business. • Poor employee wellbeing. • Our culture of supporting social value is eroded.	• Measures to maintain a stable population of employees, including competitive total reward packages. • Monitoring of employee engagement and satisfaction. • Employee wellbeing is supported through various initiatives, benefits and services. • Corporate incentives to encourage social value engagement, including matching of employee giving to the Charitable Foundation. • Whistleblowing hotline.
Regulatory	We fail to meet current, changing or new regulatory and legislative expectations.	• Failure to comply with existing regulations. • Failure to comply with changing regulation or respond to changes in regulatory expectations. • Inadequate internal controls.	• Compliance function provides expert guidance and carries out monitoring work, particularly over highly regulated areas. • Maintenance of appropriate solvency capital buffers, and continuous monitoring of solvency experience. • Clear accountabilities and understanding of responsibilities across the business. • Fostering of positive regulatory relationships.
Security and resilience	We fail to adequately secure our physical assets, systems and/or sensitive information, or to deliver critical business services to our clients.	• Internal or external fraud. • Core system failure. • Corporate, Partnership or third-party information security and cyber risks. • Disruption in key business services to our clients.	• Business continuity planning for SJP and its key suppliers. • Focus on building and strengthening operational resilience capabilities and undertaking robust identification, assessment and testing of important business services. • Mandatory 'Cyber Essentials Plus' accreditation for Partner practices or use of an SJP 'Device as a Service' solution. • Clear cyber strategy and data protection roadmap for continuous development. • Data leakage detection technology and incident reporting systems. • Identification, communication, and response planning for the event of cyber crime. • Group Executive Committee level cyber scenario work to test strategic response. • Internal awareness programmes.
Strategy, change and reputation	Challenge from competitors and impact of reputational damage.	• Unnecessary delays/errors caused by failures in change delivery. • Increased competitive pressure from traditional and disruptive (non-traditional) competitors. • Cost and charges pressure. • Negative media coverage. • Failure to meet our commitments to net zero.	• Robust change governance and change management practices, including testing. • Clear demonstration of value delivered to clients through advice, service and products. • Investment in improving positive brand recognition. • Ongoing development of client and Partner propositions • Proactive engagement with external agencies including media, industry groups, shareholders and regulators.

	Risk description	Risk considerations	Mitigations/controls
			• Clear interim targets to be tracked towards meeting our long-term net zero targets.
Third parties	Third-party outsourcers' activities impact our performance and risk management.	• Operational failures by material outsourcers. • Failure of critical services. Significant areas include: o investment administration. o fund management. o custody. o policy administration. o cloud services.	• Oversight regime in place to identify prudent steps to reduce risk of operational failures by material third-party providers. • Ongoing monitoring, including assessment of operational resilience. • Due diligence on key suppliers. • Oversight of service levels of our third-party administration provider.

Condensed Consolidated Half-Year Financial Statements prepared under International Financial Reporting Standards (IFRS) as adopted by the United Kingdom (UK)

Condensed Consolidated Statement of Comprehensive Income

	Note	**Six months ended 30 June 2024**	Six months ended 30 June 2023[1]	Year ended 31 December 2023
		£'Million	£'Million	£'Million
Fee and commission income	4	**1,604.4**	1,351.7	2,788.9
Expenses[1]		**(1,097.5)**	(1,007.9)	(2,433.3)
Investment return[1]	5	**14,162.4**	6,629.5	16,197.6
Movement in investment contract benefits		**(14,102.2)**	(6,595.8)	(16,130.9)
Insurance revenue		**10.6**	12.6	25.3
Insurance service expenses		**(16.3)**	(12.3)	(24.5)
Net reinsurance income/(expense)		**2.7**	(3.3)	(5.0)
Insurance service result		**(3.0)**	(3.0)	(4.2)
Net insurance finance income/(expense)		**3.2**	(0.3)	(10.0)
Other finance income[1]		**9.7**	10.8	31.5
Profit before tax	3	**577.0**	385.0	439.6
Tax attributable to policyholders' returns	6	**(351.9)**	(169.3)	(444.1)
Profit/(loss) before tax attributable to shareholders' returns		**225.1**	215.7	(4.5)
Total tax charge	6	**(411.9)**	(223.3)	(449.5)
Less: tax attributable to policyholders' returns	6	**351.9**	169.3	444.1
Tax attributable to shareholders' returns	6	**(60.0)**	(54.0)	(5.4)
Profit/(loss) and total comprehensive income for the year		**165.1**	161.7	(9.9)
Profit attributable to non-controlling interests		**-**	0.1	0.2
Profit/(loss) attributable to equity shareholders		**165.1**	161.6	(10.1)
Profit/(loss) and total comprehensive income for the year		**165.1**	161.7	(9.9)
		Pence	Pence	Pence
Basic earnings per share	15	**30.1**	29.6	(1.8)
Diluted earnings per share	15	**29.9**	29.5	(1.8)

[1] Restated to reclassify Other finance income which had been misclassified. For the six months ended 30 June 2023 the restatement comprised a decrease of £7.0 million in expenses, decrease of £17.8 million in investment return and a corresponding net £10.8 million Other finance income recognised resulting in a net nil impact on the profit for the period.

The results relate to continuing operations.

The Notes and information on pages 48 to 84 form part of these Condensed Consolidated Financial Statements.

Condensed Consolidated Statement of Changes in Equity

		Equity attributable to owners of the Parent Company							
		Share capital	Share premium	Shares in trust reserve	Misc. reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Note	£'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
Profit and total comprehensive income for the period		-	-	-	-	161.6	161.6	0.1	161.7
Dividends	15	-	-	-	-	(203.1)	(203.1)	(0.2)	(203.3)
Exercise of options	15	0.7	5.7	–	-	-	6.4	–	6.4
Consideration paid for own shares		-	-	(0.5)	-	-	(0.5)	-	(0.5)
Shares sold during the period		-	-	3.8	-	(3.8)	-	-	-
Retained earnings credit in respect of share option charges		–	–	–	–	9.9	9.9	-	9.9
At 30 June 2023		82.3	233.5	(0.8)	2.5	928.4	1,245.9	0.1	1,246.0
At 1 January 2024		**82.3**	**233.9**	**(0.7)**	**2.5**	**665.4**	**983.4**	**0.1**	**983.5**
Profit and total comprehensive income for the period		**–**	**–**	**–**	**–**	**165.1**	**165.1**	**–**	**165.1**
Dividends	15	**–**	**–**	**–**	**–**	**(43.8)**	**(43.8)**	**(0.1)**	**(43.9)**
Exercise of options	15	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Consideration paid for own shares		**–**	**–**	**(3.6)**	**–**	**–**	**(3.6)**	**–**	**(3.6)**
Shares sold during the period		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Retained earnings credit in respect of share option charges		**–**	**–**	**–**	**–**	**2.1**	**2.1**	**–**	**2.1**
At 30 June 2024		**82.3**	**233.9**	**(4.3)**	**2.5**	**788.8**	**1,103.2**	**–**	**1,103.2**

Miscellaneous reserves represent other non-distributable reserves.

Condensed Consolidated Statement of Financial Position

	Note	**30 June 2024 £'Million**	30 June 2023 £'Million	31 December 2023 £'Million
Assets				
Goodwill	7	**33.6**	33.6	33.6
Deferred acquisition costs	7	**295.0**	321.4	304.4
Intangible assets				
– Purchased value of in-force business	7	**6.4**	9.6	8.0
– Computer software	7	**21.2**	32.7	28.0
Property and equipment, including leased assets		**147.9**	156.8	153.1
Deferred tax assets	6	**13.2**	6.4	36.5
Investment in associates		**10.4**	4.7	10.2
Reinsurance assets		**15.9**	55.3	13.0
Other receivables	9	**4,023.8**	3,177.0	2,997.4
Investments				
– Investment property	8	**1,039.5**	1,191.9	1,110.3
– Equities	8	**125,349.2**	110,771.4	116,761.5
– Fixed income securities	8	**25,185.5**	27,886.4	27,244.7
– Investment in Collective Investment Schemes	8	**21,432.2**	7,174.1	13,967.5
– Derivative financial instruments	8	**3,828.0**	4,149.6	3,420.6
Cash and cash equivalents		**6,504.8**	6,684.0	6,204.3
Total assets		**187,906.6**	161,654.9	172,293.1
Liabilities				
Borrowings	12	**490.6**	189.2	251.4
Deferred tax liabilities	6	**565.2**	219.5	411.7
Insurance contract liabilities		**517.4**	475.3	496.0
Deferred income	7	**477.9**	513.6	491.5
Other provisions	11	**508.1**	55.5	500.1
Other payables	10	**4,080.8**	2,670.2	2,388.1
Investment contract benefits	8	**133,823.5**	113,924.8	123,149.8
Derivative financial instruments	8	**2,807.5**	3,490.4	3,073.0
Net asset value attributable to unit holders	8	**43,458.0**	38,843.8	40,536.5
Income tax liabilities		**74.4**	26.6	11.5
Total liabilities		**186,803.4**	160,408.9	171,309.6
Net assets		**1,103.2**	1,246.0	983.5
Shareholders' equity				
Share capital	15	**82.3**	82.3	82.3
Share premium		**233.9**	233.5	233.9
Shares in trust reserve		**(4.3)**	(0.8)	(0.7)
Miscellaneous reserves		**2.5**	2.5	2.5
Retained earnings		**788.8**	928.4	665.4
Equity attributable to owners of the Parent Company		**1,103.2**	1,245.9	983.4
Non-controlling interests		**-**	0.1	0.1
Total equity		**1,103.2**	1,246.0	983.5

	Pence	Pence	Pence
Net assets per share	**201.1**	227.1	179.3

Condensed Consolidated Statement of Cash Flows

	Note	**Six months ended 30 June 2024**	Six months ended 30 June 2023[1]	Year ended 31 December 2023[1]
		£'Million	£'Million	£'Million
Cash flows from operating activities				
Cash generated from operations[1]	14	**187.5**	476.1	53.4
Interest received[1]		**113.3**	76.2	168.6
Interest paid		**(16.2)**	(7.0)	(17.3)
Income taxes paid	6	**(162.1)**	(99.1)	(179.4)
Contingent consideration paid		**-**	-	(6.7)
Net cash inflow from operating activities		**122.5**	446.2	18.6
Cash flows from investing activities				
Payments for property and equipment		**(3.5)**	(4.5)	(11.2)
Payment of software development costs	7	**(3.0)**	(6.7)	(10.9)
Payments for acquisition of subsidiaries and other business combinations, net of cash acquired		**-**	-	(5.4)
Payments for associates		**-**	(3.3)	(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		**(6.5)**	(14.5)	(35.2)
Cash flows from financing activities				
Proceeds from the issue of share capital and exercise of options		**-**	6.4	6.8
Consideration paid for own shares		**(3.6)**	(0.5)	(0.5)
Proceeds from borrowings		**412.7**	58.1	233.1
Repayment of borrowings		**(173.6)**	(33.0)	(144.8)
Principal elements of lease payments		**(6.7)**	(7.9)	(14.2)
Dividends paid to Company's shareholders	15	**(43.8)**	(203.1)	(289.6)
Dividends paid to non-controlling interests in subsidiaries		**(0.1)**	(0.2)	(0.3)
Net cash inflow/(outflow) from financing activities		**184.9**	(180.2)	(209.5)
Net increase/(decrease) in cash and cash equivalents		**300.9**	251.5	(226.1)
Cash and cash equivalents at beginning of period		**6,204.3**	6,432.8	6,432.8
Effects of exchange rate changes on cash and cash equivalents		**(0.4)**	(0.3)	(2.4)
Cash and cash equivalents at end of period		**6,504.8**	6,684.0	6,204.3

[1] Restated to reclassify money market fund interest from cash generated from operations to interest received (six months ended 30 June 2023: £28.1 million, year ended 31 December 2023: £60.6 million), which had been misclassified.

Notes to the Financial Statements

1. Basis of preparation

This condensed set of Consolidated Half-Year Financial Statements for the six months ended 30 June 2024, which comprise the Half-Year Financial Statements of St. James's Place plc (the Company) and its subsidiaries (together referred to as the 'Group'), has been prepared in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the Financial Conduct Authority and with IAS 34 'Interim Financial Reporting', an International Financial Reporting Standard (IFRS) as adopted by the United Kingdom (UK). The Condensed Consolidated Half-Year Financial Statements should be read in conjunction with the Annual Financial Statements for the year ended 31 December 2023, which have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006.

Going concern

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's report and the Chief Financial Officer's report. The financial performance and financial position of the Group are described in the Financial Review.

The Board has considered the ongoing financial pressures faced by clients which prevailed during the period, noting that the business continued to be successful in this environment. Notwithstanding this challenge, the Group attracted gross inflows of £8.5 billion and net inflows of £1.9 billion. This, 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.

Forecasts have been considered and there are no material adverse changes to the approach and conclusions stated in the Group Annual Report and Financial Statements for 2023, a copy of which is available on the Group's website, www.sjp.co.uk.

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 Interim Financial Statements, and that it is appropriate to prepare them on a going concern basis.

2. Significant accounting policies

(a) Statement of compliance

These Condensed Consolidated Half-Year Financial Statements were prepared and approved by the Directors in accordance with International Financial Reporting Standards as adopted by the UK.

There were no new or amended IFRS standards, effective for periods beginning 1 January 2024.

In preparing these Condensed Consolidated Half-Year Financial Statements the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the Consolidated Financial Statements for the year ended 31 December 2023, except for:

Determining the value of a 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, including sensitivity analysis, are set out in Note 11.

2. Significant accounting policies (continued)

(b) New and amended accounting standards not yet effective

As at 30 June 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 and IFRS 7;
- IFRS 18 Presentation and Disclosure in Financial Statements; and
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

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 income statement.
- Enhanced transparency of management-defined performance measures; and
- 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.

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.

3. Segment reporting (continued)

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 APMs.

More detail is provided in Section 2.2 of the Financial Review.

The Cash result should not be confused with the IFRS Condensed Consolidated Statement of Cash Flows, which is prepared in accordance with IAS 7.

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
Underlying cash result after tax	**205.2**	207.1	392.4
Equity-settled share-based payments	**(2.1)**	(9.9)	(5.4)
Deferred tax impacts	**(9.2)**	(12.1)	(24.9)
Ongoing Service Evidence provision	**-**	-	(323.7)
Impact in the period of DAC/DIR/PVIF	**2.6**	0.3	3.1
Impact of policyholder tax asymmetry (see Note 4)[1]	**(33.4)**	(17.5)	(44.4)
Other	**2.0**	(6.2)	(7.0)
IFRS profit/(loss) after tax	**165.1**	161.7	(9.9)
Shareholder tax	**60.0**	54.0	5.4
Profit/(loss) before tax attributable to shareholders' returns	**225.1**	215.7	(4.5)
Tax attributable to policyholder returns	**351.9**	169.3	444.1
IFRS profit before tax	**577.0**	385.0	439.6

[1] Further information on policyholder tax asymmetry can also be found in Section 2.1 of the Financial Review.

3. Segment reporting (continued)

EEV operating profit/(loss) after exceptional item before tax

EEV operating profit is monitored by the Board. The components of the EEV operating profit are included in more detail in the Financial Review section.

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
EEV operating profit/(loss) after exceptional item before tax	**793.1**	(119.1)	(1,891.6)
Investment return variance	**437.9**	157.6	501.7
Economic assumption changes	**(2.0)**	37.8	2.5
EEV profit/(loss) before tax	**1,229.0**	76.3	(1,387.4)
Adjustments to IFRS basis:			
Deduct: amortisation of purchased value of in-force business	**(1.6)**	(1.6)	(3.2)
Movement of balance sheet life value of in-force business (net of tax)	**(153.4)**	251.6	2,769.6
Movement of balance sheet unit trust and DFM value of in-force business (net of tax)	**(360.5)**	(23.4)	226.0
Movement of balance sheet other value of in-force business (net of tax)	**(326.5)**	-	(1,918.9)
Tax on movement in value of in-force business	**(161.9)**	(87.2)	309.4
Profit/(loss) before tax attributable to shareholders' returns	**225.1**	215.7	(4.5)
Tax attributable to policyholder returns	**351.9**	169.3	444.1
IFRS profit before tax	**577.0**	385.0	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.

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.

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Investment	**37,900.0**	34,360.0	35,990.0
Pension	**96,260.0**	79,870.0	87,320.0
UT/ISA and DFM	**47,700.0**	43,290.0	44,890.0
Total FUM	**181,860.0**	157,520.0	168,200.0
Exclude client and third-party holdings in non-consolidated unit trusts and DFM	**(4,403.1)**	(4,367.4)	(4,360.4)
Other	**4,866.5**	4,287.4	3,968.2
Gross assets held to cover unit liabilities	**182,323.4**	157,440.0	167,807.8
IFRS intangible assets	**377.0**	452.9	399.6
Shareholder gross assets	**5,206.2**	3,762.0	4,085.7
Total assets	**187,906.6**	161,654.9	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

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
Advice charges (post-RDR)	**528.1**	493.7	954.3
Third-party fee and commission income	**62.7**	65.9	132.4
Wealth management fees	**577.6**	518.7	1,065.0
Investment management fees	**37.1**	36.9	68.4
Fund tax deductions	**351.9**	169.3	444.1
Policyholder tax asymmetry	**(33.4)**	(17.5)	(44.4)
Discretionary fund management fees	**11.8**	12.0	23.6
Fee and commission income before DIR amortisation	**1,535.8**	1,279.0	2,643.4
Amortisation of DIR	**68.6**	72.7	145.5
Total fee and commission income	**1,604.4**	1,351.7	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 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 above). 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 Condensed 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.

Market conditions and other macroeconomic factors, such as interest rate changes will impact the level of asymmetry experienced in a year and may be significant where there is volatility. Market growth experienced in 2024 has resulted in a negative movement impacting both profit before shareholder tax and profit after tax. For the six months ended 30 June 2023, significantly lower market growth than 2024, coupled with interest rate increases, also resulted in a negative movement impacting both profit before shareholder tax and profit after tax albeit at a lower level.

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 above.

5. Investment return

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

	Six months ended 30 June 2024	Six months ended 30 June 2023[1]	Year ended 31 December 2023
	£'Million	£'Million	£'Million
Attributable to unit-linked investment contract benefits:			
Rental income	**35.4**	35.4	69.9
(Loss)/gain on revaluation of investment properties	**(22.8)**	5.2	(44.9)
Net investment return on financial instruments classified as fair value through profit and loss	**9,728.7**	4,950.7	13,013.4
	9,741.3	4,991.3	13,038.4
Income attributable to third-party holdings in unit trusts	**4,360.9**	1,604.5	3,092.5
Investment return on net assets held to cover unit liabilities	**14,102.2**	6,595.8	16,130.9
Net investment return on financial instruments classified as fair value through profit and loss	**59.5**	27.5	60.2
Net investment return on financial instruments held at amortised cost[1]	**0.7**	6.2	6.5
Investment return on shareholder assets	**60.2**	33.7	66.7
Total investment return	**14,162.4**	6,629.5	16,197.6

[1] Restated to reclassify interest received on business loans to Partners of £13.4 million and shareholders cash and cash equivalents of £4.4 million to Other finance income.

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 £960.8 million (six months ended 30 June 2023: £781.8 million, year ended 31 December 2023: £1,499.1 million).

6. Income and deferred taxes

Tax for the year

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
Current tax			
UK corporation tax			
– Current year charge	**241.5**	157.5	222.8
– Adjustment in respect of prior year	**(0.1)**	-	(0.5)
Overseas taxes			
– Current year charge	**12.3**	3.2	2.9
– Adjustment in respect of prior year	**(0.6)**	-	0.1
	253.1	160.7	225.3
Deferred tax			
Unrealised capital gains in unit-linked funds	**151.9**	53.7	243.4
Unrelieved expenses			
– Utilisation in the year	**4.5**	5.6	11.3
Capital losses			
– Utilisation in the year	**-**	2.1	2.2
– Adjustment in respect of prior year	**-**	-	(0.1)
DAC, DIR and PVIF	**(2.4)**	(3.9)	(7.8)
Share-based payments	**0.6**	3.6	8.1
Renewal income assets	**1.8**	(0.6)	(1.4)
Fixed asset timing differences	**0.3**	1.2	2.6
UK trading losses	**-**	-	(36.1)
Other temporary differences	**1.7**	0.6	1.8
Overseas losses	**-**	(0.1)	0.3
Adjustments in respect of prior periods	**0.4**	0.4	(0.1)
	158.8	62.6	224.2
Total tax charge for the year	**411.9**	223.3	449.5
Attributable to:			
– policyholders	**351.9**	169.3	444.1
– shareholders	**60.0**	54.0	5.4
	411.9	223.3	449.5

6. Income and deferred taxes (continued)

The prior year adjustment of £0.7 million credit in current tax above represents £nil in respect of policyholder tax (six months ended 30 June 2023: £nil, year ended 31 December 2023: £1.4 million credit) and £0.7 million credit in respect of shareholder tax (six months ended 30 June 2023: £nil, year ended 31 December 2023: £1.0 million charge). The prior year adjustment of £0.4 million charge in deferred tax above represents £nil in respect of policyholder tax (six months ended 30 June 2023: £nil, year ended 31 December 2023: £nil) and a charge of £0.4 million in respect of shareholder tax (six months ended 30 June 2023: £0.4 million charge, year ended 31 December 2023: £0.2 million credit).

In arriving at the profit/(loss) before tax attributable to shareholders' return, it is necessary to estimate the analysis of the total tax charge 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 represents tax on policyholders' investment returns. This calculation method is consistent with the legislation relating to the calculation of tax on shareholder profits.

Reconciliation of tax charge to expected tax

	Six months ended 30 June 2024		Six months ended 30 June 2023		Year ended 31 December 2023	
	£'Million		£'Million		£'Million	
Profit before tax	**577.0**		385.0		439.6	
Tax attributable to policyholders' returns	**(351.9)**		(169.3)		(444.1)	
Profit/(loss) before tax attributable to shareholders' returns	**225.1**		215.7		(4.5)	
Shareholder tax charge/(credit) at corporate tax rate of 25.0% (2023: 23.5%)	**56.3**	**25.0%**	50.7	23.5%	(1.1)	23.5%
Adjustments:						
Lower rates of corporation tax in overseas subsidiaries	**(0.9)**	**(0.4%)**	(0.7)	(0.3%)	(1.8)	39.4%
Expected shareholder tax	**55.4**	**24.6%**	50.0	23.2%	(2.9)	62.9%
Effects of:						
Non-taxable income	**(0.2)**		(0.8)		(2.5)	
Adjustment in respect of prior year						
– Current tax	**(0.7)**		-		1.0	
– Deferred tax	**0.4**		0.4		(0.2)	
Differences in accounting and tax bases in relation to employee share schemes	**-**		(1.7)		0.3	
Impact of difference in tax rates between current and deferred tax	**-**		-		(2.3)	
Disallowable expenses	**3.8**		1.2		4.3	
Provision for future liabilities	**0.2**		3.7		5.1	
Tax losses not recognised	**0.9**		1.1		1.9	
Other	**0.2**		0.1		0.7	
	4.6	**2.1%**	4.0	1.8%	8.3	(182.9%)
Shareholder tax charge	**60.0**	**26.7%**	54.0	25.0%	5.4	(120.0%)
Policyholder tax charge	**351.9**		169.3		444.1	
Total tax charge for the year	**411.9**		223.3		449.5	

6. Income and deferred taxes (continued)

Tax calculated on profit before tax at 25% (2023: 23.5%) would amount to a charge of £144.3 million (six months to 30 June 2023: charge of £90.5 million, year to 31 December 2023: charge of £103.3 million). The difference of £267.6 million (six months to 30 June 2023: £132.8 million, year to 31 December 2023: £346.2 million) between this number and the total tax charge of £411.9 million (six months to 30 June 2023: £223.3 million charge, year to 31 December 2023: £449.5 million charge) is made up of the reconciling items above which total a charge of £3.7 million (six months to 30 June 2023: £3.3 million charge, year to 31 December 2023: £6.5 million charge) and the effect of the apportionment methodology on tax applicable to policyholder returns of £263.9 million (six months to 30 June 2023: £129.5 million credit, year to 31 December 2023: £339.7 million credit).

Tax paid in the year

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
Current tax charge for the period	**253.1**	160.7	225.3
(Payments to be made) / Refunds due to be received in future years in respect of current year	**(91.0)**	(3.8)	1.7
Refunds received in current year in respect of prior years	**(0.2)**	(57.8)	(39.7)
Other	**0.2**	-	(7.9)
Tax paid	**162.1**	99.1	179.4
Tax paid can be analysed as:			
– Taxes paid in UK	**95.0**	92.0	156.4
– Taxes paid in overseas jurisdictions	**0.7**	0.4	6.2
– Withholding taxes suffered on investment income received	**66.4**	6.7	16.8
Total	**162.1**	99.1	179.4

6. Income and deferred taxes (continued)

Deferred tax balances

Deferred tax assets

	As at 1 January 2024	Credit/(charge) to the Statement of Comprehensive Income: Utilised and created in year	Credit/(charge) to the Statement of Comprehensive Income: Total credit/(charge)	Reanalysis to deferred tax liabilities	Transfers	As at 30 June 2024	Expected utilisation period As at 30 June 2024
	£ Million	**£ Million**	**£ Million**	**£ Million**	**£ Million**	**£ Million**	
Deferred acquisition costs (DAC)	**(18.6)**	**0.5**	**0.5**	**(0.5)**	**–**	**(18.6)**	**14 years**
Deferred income (DIR)	**35.1**	**(1.8)**	**(1.8)**	**–**	**–**	**33.3**	**14 years**
Fixed asset temporary differences	**1.3**	**(0.7)**	**(0.7)**	**–**	**–**	**0.6**	**6 years**
Renewal income assets	**(19.9)**	**(1.8)**	**(1.8)**	**–**	**–**	**(21.7)**	**20 years**
Share-based payments	**4.8**	**(0.6)**	**(0.6)**	**0.1**	**–**	**4.3**	**3 years**
UK trading losses	**36.1**	**–**	**–**	**–**	**(18.0)**	**18.1**	**0.5 years**
Other temporary differences	**(2.3)**	**(1.6)**	**(1.6)**	**1.1**	**–**	**(2.8)**	**–**
Total	**36.5**	**(6.0)**	**(6.0)**	**0.7**	**(18.0)**	**13.2**	

	As at 1 January 2023	Credit/(charge) to the Statement of Comprehensive Income: Utilised and created in year	Credit/(charge) to the Statement of Comprehensive Income: Total credit/(charge)	Impact of acquisitions	Reanalysis to deferred tax liabilities	As at 30 June 2023	Expected utilisation period As at 30 June 2023
	£ Million	£ Million	£ Million	£ Million	£ Million	£ Million	
Deferred acquisition costs (DAC)	(20.4)	0.7	0.7	–	(0.5)	(20.2)	14 years
Deferred income (DIR)	37.7	(1.2)	(1.2)	–	–	36.5	14 years
Fixed asset temporary differences	3.9	(1.6)	(1.6)	–	–	2.3	6 years
Renewal income assets	(20.7)	0.6	0.6	(0.1)	–	(20.2)	20 years
Share-based payments	12.9	(3.6)	(3.6)	–	–	9.3	3 years
Other temporary differences	(0.9)	(0.9)	(0.9)	-	0.5	(1.3)	-
Total	12.5	(6.0)	(6.0)	(0.1)	-	6.4	

6. Income and deferred taxes (continued)

Deferred tax liabilities

	As at 1 January 2024	Credit/(charge) to the Statement of Comprehensive Income: Utilised and created in year	Credit/(charge) to the Statement of Comprehensive Income: Total credit/(charge)	Reanalysis to deferred tax liabilities	As at 30 June 2024	Expected utilisation period As at 30 June 2024
	£ Million	**£ Million**	**£ Million**	**£ Million**	**£ Million**	
Deferred acquisition costs (DAC)	**12.3**	**(3.3)**	**(3.3)**	**(0.5)**	**8.5**	**14 years**
Purchased value of in-force business (PVIF)	**2.0**	**(0.4)**	**(0.4)**	**–**	**1.6**	**2 years**
Share based payments	**-**	**-**	**-**	**0.1**	**0.1**	**3 years**
Unrealised capital gains on life insurance (BLAGAB) assets backing unit liabilities	**423.4**	**151.9**	**151.9**	**-**	**575.3**	**6 years**
Unrelieved expenses on life insurance business	**(26.2)**	**4.5**	**4.5**	**–**	**(21.7)**	**5 years**
Other temporary differences	**0.2**	**0.1**	**0.1**	**1.1**	**1.4**	**–**
Total	**411.7**	**152.8**	**152.8**	**0.7**	**565.2**	

	As at 1 January 2023	Credit/(charge) to the Statement of Comprehensive Income: Utilised and created in year	Credit/(charge) to the Statement of Comprehensive Income: Total credit/(charge)	Reanalysis to deferred tax liabilities	As at 30 June 2023	Expected utilisation period As at 30 June 2023
	£ Million	£ Million	£ Million	£ Million	£ Million	
Capital losses (available for future relief)	(2.1)	2.1	2.1	-	-	-
Deferred acquisition costs (DAC)	20.2	(4.1)	(4.1)	(0.5)	15.6	14 years
Purchased value of in-force business (PVIF)	2.8	(0.4)	(0.4)	–	2.4	2.5 years
Unrealised capital gains on life insurance (BLAGAB) assets backing unit liabilities	180.1	53.7	53.7	-	233.8	6 years
Unrelieved expenses on life insurance business	(37.5)	5.6	5.6	–	(31.9)	6 years
Other temporary differences	(0.6)	(0.3)	(0.3)	0.5	(0.4)	–
Total	162.9	56.6	56.6	-	219.5	

6. 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 £18.2 million (30 June 2023: £16.2 million, 31 December 2023: £17.3 million) in respect of £107.6 million (30 June 2023: £95.5 million, 31 December 2023: £101.9 million) of losses in companies where appropriate profits are not considered probable in the forecast period. These losses primarily relate to our Asia-based businesses and can be carried forward indefinitely.

UK Corporation Tax Rate

The main rate of corporation tax in the UK was increased from 19% to 25% on 1 April 2023.

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 profits arising in Ireland to 15% and at the half year an adjustment of £0.3 million additional Irish tax has been posted in this respect. It is not expected that a Pillar Two adjustment will be required in respect of any other SJP location.

7. Goodwill, intangible assets, deferred acquisition costs and deferred income

	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	-	-	6.7	20.9	(55.9)
Disposals	-	-	(15.4)	(69.4)	45.0
At 30 June 2023	36.6	73.4	62.2	1,002.1	(1,645.9)
Additions	-	-	4.2	19.0	(50.7)
Disposals	_	-	(0.8)	(75.3)	60.3
At 31 December 2023	**36.6**	**73.4**	**65.6**	**945.8**	**(1,636.3)**
Additions	**-**	**-**	**3.0**	**22.3**	**(55.0)**
Disposals	**-**	**-**	**-**	**(89.4)**	**72.2**
At 30 June 2024	**36.6**	**73.4**	**68.6**	**878.7**	**(1,619.1)**
Accumulated amortisation					
At 1 January 2023	3.0	62.2	37.6	714.0	(1,104.6)
Charge for the period	-	1.6	7.3	36.1	(72.7)
Eliminated on disposal	-	-	(15.4)	(69.4)	45.0
At 30 June 2023	3.0	63.8	29.5	680.7	(1,132.3)
Charge for the period	-	1.6	8.1	36.0	(72.8)
Eliminated on disposal	-	-	-	(75.3)	60.3
At 31 December 2023	**3.0**	**65.4**	**37.6**	**641.4**	**(1,144.8)**
Charge for the period	**-**	**1.6**	**9.8**	**31.7**	**(68.6)**
Eliminated on disposal	**-**	**-**	**-**	**(89.4)**	**72.2**
At 30 June 2024	**3.0**	**67.0**	**47.4**	**583.7**	**(1,141.2)**
Carrying value					
At 30 June 2023	33.6	9.6	32.7	321.4	(513.6)
At 31 December 2023	33.6	8.0	28.0	304.4	(491.5)
At 30 June 2024	**33.6**	**6.4**	**21.2**	**295.0**	**(477.9)**
Outstanding amortisation period					
At 30 June 2023	n/a	2.5 years	5 years	14 years	6-14 years
At 31 December 2023	n/a	2 years	5 years	14 years	6-14 years
At 30 June 2024	**n/a**	**1.5 years**	**5 years**	**14 years**	**6-14 years**

7. Goodwill, intangible assets, deferred acquisition costs and deferred income (continued)

Purchased value of in-force business/DAC/Computer software

Amortisation is charged to expenses in the IFRS Condensed Consolidated Statement of Comprehensive Income. Amortisation profiles are reassessed annually.

DIR

Amortisation is credited within fee and commission income in the IFRS Condensed Consolidated Statement of Comprehensive Income. Amortisation profiles are reassessed annually.

8. Investments

Net assets held to cover unit liabilities

Included within the IFRS Condensed Consolidated Statement of Financial Position are the following assets and liabilities comprising the net assets held to cover unit liabilities. The net assets held to cover unit liabilities are set out in adjustment 1 of the IFRS to Solvency II Net Assets Balance Sheet reconciliation on page 27.

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Assets			
Investment property	**1,039.5**	1,191.9	1,110.3
Equities	**125,349.2**	110,771.4	116,761.5
Fixed income securities	**25,177.1**	27,878.4	27,236.5
Investment in Collective Investment Schemes	**19,354.3**	5,923.6	12,513.1
Cash and cash equivalents	**6,155.4**	6,415.3	5,918.9
Other receivables	**1,419.9**	1,109.8	846.9
Derivative financial instruments	**3,828.0**	4,149.6	3,420.6
Total assets	**182,323.4**	157,440.0	167,807.8
Liabilities			
Other payables	**1,780.5**	763.2	613.3
Derivative financial instruments	**2,807.5**	3,490.4	3,073.0
Total liabilities	**4,588.0**	4,253.6	3,686.3
Net assets held to cover linked liabilities	**177,735.4**	153,186.4	164,121.5
Investment contract benefits	**133,823.5**	113,924.8	123,149.8
Net asset value attributable to unit holders	**43,458.0**	38,843.8	40,536.5
Unit-linked insurance contract liabilities	**453.9**	417.8	435.2
Net unit-linked liabilities	**177,735.4**	153,186.4	164,121.5

The Condensed Consolidated Statement of Financial Position includes shareholder assets not included in the above net assets held to cover unit liabilities. See Note 13 for further information.

9. Other receivables

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Receivables in relation to unit liabilities excluding policyholder interests	**1,259.9**	842.9	956.0
Other receivables in relation to life and unit trust business	**193.6**	203.7	151.9
Operational readiness prepayment	**272.3**	277.1	283.5
Advanced payments to Partners	**135.5**	99.0	127.4
Other prepayments and accrued income	**46.3**	97.5	37.9
Business loans to Partners	**507.0**	400.2	408.0
Renewal income assets	**145.0**	122.3	138.3
Miscellaneous	**41.2**	21.4	44.3
Total other receivables on the Solvency II Net Assets Balance Sheet	**2,600.8**	2,064.1	2,147.3
Policyholder interests in other receivables (see Note 8)	**1,419.9**	1,109.8	846.9
Other	**3.1**	3.1	3.2
Total other receivables	**4,023.8**	3,177.0	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 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.

9. Other receivables (continued)

Business loans to Partners

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Business loans to Partners directly funded by the Group	**384.9**	362.2	340.8
Securitised business loans to Partners	**122.1**	38.0	67.2
Total business loans to Partners	**507.0**	400.2	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 Partner.

During 2024, the Group has securitised £54.9 million (six months ended 30 June 2023: £38.0 million, year ended 31 December 2023: £67.2 million) of business loans to Partners. The securitised loans remain ring-fenced from the other assets of the Group.

See Note 16 for further information on movements in Total business loans to Partners after the end of the reporting period.

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.

The provision held against business loans to Partners as at 30 June 2024 was £3.9 million (30 June 2023: £3.7 million, 31 December 2023: £4.8 million).

10. Other payables

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Payables in relation to unit liabilities excluding policyholder interests	**597.4**	536.0	437.1
Other payables in relation to life and unit trust business	**1,111.7**	802.9	738.6
Accrual for ongoing advice fees	**146.7**	128.8	150.0
Other accruals	**112.0**	82.4	101.1
Contract payment	**78.2**	90.0	84.2
Lease liabilities: properties	**117.3**	127.0	120.5
Other payables in relation to Partner payments	**77.4**	72.4	75.1
Miscellaneous	**48.9**	50.9	50.4
Total other payables on the Solvency II Net Assets Balance Sheet	**2,289.6**	1,890.4	1,757.0
Policyholder interests in other payables (see Note 8)	**1,780.5**	763.2	613.3
Other (see adjustment 2 on page 27)	**10.7**	16.6	17.8
Total other payables	**4,080.8**	2,670.2	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 £78.2 million (30 June 2023: £90.0 million, 31 December 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.

11. Other provisions

	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	28.4	-	0.6	-	29.0
Utilised during the period	(7.3)	-	(0.6)	-	(7.9)
Release of provision	(11.4)	-	(0.2)	-	(11.6)
At 30 June 2023	39.4	-	13.1	3.0	55.5
Additional provisions	33.4	426.0	2.0	0.1	461.5
Utilised during the period	(13.7)	-	(0.2)	-	(13.9)
Release of provision	(3.0)	-	-	-	(3.0)
At 31 December 2023	**56.1**	**426.0**	**14.9**	**3.1**	**500.1**
Additional provisions	**17.6**	**-**	**0.3**	**-**	**17.9**
Utilised during the period	**(13.5)**	**(0.5)**	**(0.1)**	**-**	**(14.1)**
Impact of discounting	**-**	**5.1**	**-**	**-**	**5.1**
Release of provision	**(0.6)**	**-**	**(0.3)**	**-**	**(0.9)**
At 30 June 2024	**59.6**	**430.6**	**14.8**	**3.1**	**508.1**

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 £6.0 million to the total complaints provision. For further information see Note 2.

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 has 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.

During the period costs were incurred in relation to the commencement of the review resulting in the utilisation of £0.5 million.

11. Other provisions (continued)

In accordance with IAS 37 the discounted provision recognised at 31 December 2023 has been appropriately unwound. Note, interest income arising on the assets held to support the provision offsets the impact of unwind of discounting in the Group result.

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 30 June 2024 if the key assumptions were to vary as described:

		Change in profit before tax	
	Change in assumption	Favourable changes	Unfavourable changes
Sensitivity analysis	Percentage	£'Million	£'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, based on average client FUM, 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 two-to-three-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.

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.

With the exception of the Complaints 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.

12. 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; and
- 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 9.

Senior unsecured corporate borrowings

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Corporate borrowings: bank loans	**250.0**	-	50.0
Corporate borrowings: loan notes	**151.1**	163.9	151.1
Senior unsecured corporate borrowings	**401.1**	163.9	201.1

The primary senior unsecured corporate borrowings are:

- a £345.0 million revolving credit facility, which is repayable at maturity in 2028 with a variable interest rate. At 30 June 2024 the undrawn credit available under this facility was £345.0 million (30 June 2023: £345.0 million, 31 December 2023: £295.0 million);
- a fully drawn £250.0 million bridging facility, which is repayable at maturity in 2026 with a variable interest rate.
- a Note Purchase Agreement for £51.1 million. The notes are repayable in instalments over ten years, ending in 2027, with variable interest rates; and
- a Note Purchase Agreement for £100.0 million. The notes are repayable in one amount in 2031, with variable interest rates.

The Group has a number of covenants within the terms of its senior unsecured corporate borrowing facilities. These covenants are monitored on a regular basis and reported to lenders on a six-monthly basis. Since year end the Group has satisfactorily concluded discussions with a number of lenders regarding some routine disclosure matters. During the course of the period all financial covenants were complied with.

As at 30 June 2024, 30 June 2023 and 31 December 2023 the Group had sufficient headroom available under its covenants to fully draw the remaining commitment under its senior unsecured corporate borrowing facilities.

12. Borrowings and financial commitments (continued)

Total borrowings

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Senior unsecured corporate borrowings	**401.1**	163.9	201.1
Senior tranche of non-recourse securitisation loan note	**89.5**	25.3	50.3
Total borrowings	**490.6**	189.2	251.4

The senior tranche of securitisation loan notes are AAA-rated and 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.

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.

	30 June 2024	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million
Junior tranche of non-recourse securitisation loan note	**37.9**	14.8	20.9
Senior tranche of non-recourse securitisation loan note	**89.5**	25.3	50.3
Total non-recourse securitisation loan notes	**127.4**	40.1	71.2
Backed by			
Securitised business loans to Partners (see Note 9)	**122.1**	38.0	67.2
Other net assets of SJP Partner Loans No.1 Limited	**5.3**	2.1	4.0
Total net assets held by SJP Partner Loans No.1 Limited	**127.4**	40.1	71.2

The fair value of the outstanding borrowings is not materially different from amortised cost. Interest expense on borrowings is recognised within expenses in the IFRS Condensed Consolidated Statement of Comprehensive Income.

12. Borrowings and financial commitments (continued)

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		
	30 June 2024	30 June 2023	31 December 2023	**30 June 2024**	30 June 2023	31 December 2023
	£'Million	£'Million	£'Million	**£'Million**	£'Million	£'Million
Bank of Scotland	**15.4**	22.6	19.6	**35.0**	35.0	35.0
Investec	**31.8**	26.9	33.3	**50.0**	50.0	50.0
Metro Bank	**13.1**	21.1	17.6	**50.0**	50.0	50.0
NatWest	**30.3**	35.7	32.2	**75.0**	75.0	75.0
Santander	**159.3**	166.9	186.5	**189.1**	169.9	189.1
Total loans	**249.9**	273.2	289.2	**399.1**	379.9	399.1

The fair value of these guarantees has been assessed as £nil (30 June 2023: £nil, 31 December 2023: £nil).

13. Fair value measurement

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 from 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); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following tables present the Group's shareholder assets and liabilities measured at fair value:

Shareholder assets and liabilities

	Level 1	**Level 2**	**Level 3**	**Total balance**
30 June 2024	**£'Million**	**£'Million**	**£'Million**	**£'Million**
Financial assets				
Fixed income securities	**8.4**	**-**	**-**	**8.4**
Investment in Collective Investment Schemes[1]	**2,077.9**	**-**	**-**	**2,077.9**
Renewal income assets	**-**	**-**	**145.0**	**145.0**
Total financial assets	**2,086.3**	**-**	**145.0**	**2,231.3**
Financial liabilities				
Contingent consideration	**-**	**-**	**3.7**	**3.7**
Total financial liabilities	**-**	**-**	**3.7**	**3.7**

	Level 1	Level 2	Level 3	Total balance
30 June 2023	£'Million	£'Million	£'Million	£'Million
Financial assets				
Fixed income securities	8.0	–	–	8.0
Investment in Collective Investment Schemes[1]	1,250.5	–	–	1,250.5
Renewal income assets	–	–	122.3	122.3
Total financial assets	1,258.5	–	122.3	1,380.8
Financial liabilities				
Contingent consideration	–	–	8.4	8.4
Total financial liabilities	–	–	8.4	8.4

13. Fair value measurement (continued)

31 December 2023	Level 1 £'Million	Level 2 £'Million	Level 3 £'Million	Total balance £'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 are valued using observable prices for identical current arm's length transactions.

The renewal income assets are classified as Level 3 and are valued using a discounted cash flow technique. The effect of applying reasonably possible alternative assumptions of a movement of +100bps on the discount rate and a 10% movement in the lapse rate would result in an unfavourable change in valuation of £5.8 million (30 June 2023: £10.5 million, 31 December 2023: £5.2 million) and a favourable change in valuation of £6.4 million (30 June 2023: £11.3 million, 31 December 2023: £5.5 million), respectively.

The contingent consideration liability is classified as Level 3 and is valued based on the terms set out in the sale and purchase agreement. Given the nature of the valuation basis, the effect of applying reasonably possible alternative assumptions would result in an unfavourable change of £nil (30 June 2023: £nil, 31 December 2023: £nil) and a favourable change of £3.7 million (30 June 2023: £8.4 million, 31 December 2023: £3.2 million).

There were no transfers between Level 1 and Level 2 during the period, 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

	Six months ended 30 June 2024 £'Million	Six months ended 30 June 2023 £'Million	Year ended 31 December 2023 £'Million
Renewal income assets			
Opening balance	**138.3**	115.5	115.5
Additions during the period	**2.3**	8.2	32.0
Disposals during the period	**(0.4)**	(0.8)	(2.1)
Unrealised gains/(losses) recognised in the Condensed Consolidated Statement of Comprehensive Income	**4.8**	(0.6)	(7.1)
Closing balance	**145.0**	122.3	138.3

Unrealised losses on renewal income assets are recognised within investment return in the IFRS Condensed Consolidated Statement of Comprehensive Income.

13. Fair value measurement (continued)

Financial liabilities

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
Contingent consideration			
Opening balance	**3.2**	8.3	8.3
Additions during the period	**0.5**	0.1	3.2
Payments made during the period	**-**	-	(6.7)
Released during the year	**-**	-	(1.6)
Closing balance	**3.7**	8.4	3.2

Unit liabilities and associated assets

	Level 1	**Level 2**	**Level 3**	**Total balance**
30 June 2024	**£'Million**	**£'Million**	**£'Million**	**£'Million**
Financial assets and investment properties				
Investment property	**-**	**-**	**1,039.5**	**1,039.5**
Equities	**124,208.2**	**-**	**1,141.0**	**125,349.2**
Fixed income securities	**6,686.7**	**18,354.7**	**135.7**	**25,177.1**
Investment in Collective Investment Schemes	**19,344.5**	**-**	**9.8**	**19,354.3**
Derivative financial instruments	**-**	**3,828.0**	**-**	**3,828.0**
Cash and cash equivalents	**6,155.4**	**-**	**-**	**6,155.4**
Total financial assets and investment properties	**156,394.8**	**22,182.7**	**2,326.0**	**180,903.5**
Financial liabilities				
Investment contract benefits	**-**	**133,823.5**	**-**	**133,823.5**
Derivative financial instruments	**-**	**2,807.5**	**-**	**2,807.5**
Net asset value attributable to unit holders	**43,458.0**	**-**	**-**	**43,458.0**
Total financial liabilities	**43,458.0**	**136,631.0**	**-**	**180,089.0**

13. Fair value measurement (continued)

30 June 2023	Level 1 £'Million	Level 2 £'Million	Level 3 £'Million	Total balance £'Million
Financial assets and investment properties				
Investment property	-	-	1,191.9	1,191.9
Equities	109,188.9	-	1,582.5	110,771.4
Fixed income securities	7,204.1	20,355.9	318.4	27,878.4
Investment in Collective Investment Schemes	5,915.9	-	7.7	5,923.6
Derivative financial instruments	-	4,149.6	-	4,149.6
Cash and cash equivalents	6,415.3	-	-	6,415.3
Total financial assets and investment properties	128,724.2	24,505.5	3,100.5	156,330.2
Financial liabilities				
Investment contract benefits	-	113,924.8	-	113,924.8
Derivative financial instruments	-	3,490.4	-	3,490.4
Net asset value attributable to unit holders	38,843.8	-	-	38,843.8
Total financial liabilities	38,843.8	117,415.2	-	156,259.0

31 December 2023	Level 1 £'Million	Level 2 £'Million	Level 3 £'Million	Total balance £'Million
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 instruments	-	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 instruments	-	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, £128.9 million of collateral has been posted at 30 June 2024, comprising cash and treasury bills (30 June 2023: £163.6 million, 31 December 2023: £181.3 million), 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.

13. Fair value measurement (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 and investments in Collective Investment Schemes (CIS) 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 unit-linked liabilities is assessed by reference to the value of the underlying net asset value of the Group's unitised investment funds, determined on a bid value, at the reporting date; and
- The Group's derivative financial instruments are valued using valuation techniques commonly used by market participants. These consist of discounted cash flow and options 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; and
- Other techniques, such as discounted cash flow and historic lapse rates, are used to determine fair value for the remaining financial instruments.

There were no transfers between Level 1 and Level 2 during the period.

Transfers into and out of Level 3 portfolios

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 equities and investments in CIS occur when asset valuations can no longer be obtained from an observable market price i.e. become illiquid, in liquidation, suspended etc. The converse is true if an observable market price becomes available.

Transfers into Level 3 during the period total £4.0 million (30 June 2023: £3.9 million, 31 December 2023: £4.0 million) and were transferred from Level 1 to Level 3 due to asset valuations no longer being obtained from an observable market price. The transfers out of Level 3 during the period total £2.0 million (30 June 2023: £nil, 31 December 2023: £nil) and were transferred from Level 3 to Level 1 due to assets being actively priced.

13. Fair value measurement (continued)

The following table presents the changes in Level 3 financial assets and liabilities at fair value through the profit and loss:

Six months ended 30 June 2024	**Investment property £'Million**	**Fixed income securities £'Million**	**Equities £'Million**	**Investment in CIS £'Million**
Opening balance	**1,110.3**	**346.5**	**1,627.0**	**7.4**
Transfer into Level 3	**-**	**-**	**-**	**4.6**
Transfer out of Level 3	**-**	**-**	**-**	**(2.0)**
Additions during the period	**9.2**	**9.9**	**9.5**	**-**
Disposals during the period	**(57.2)**	**(223.7)**	**(503.4)**	**(0.3)**
(Losses)/gains recognised in the Income statement	**(22.8)**	**3.0**	**7.9**	**0.1**
Closing balance	**1,039.5**	**135.7**	**1,141.0**	**9.8**
Realised (losses)/gains	**(81.1)**	**2.2**	**133.4**	**-**
Unrealised gains/(losses)	**58.3**	**0.8**	**(125.5)**	**0.1**
(Losses)/gains recognised in the income statement	**(22.8)**	**3.0**	**7.9**	**0.1**

Six months ended 30 June 2023	Investment property £'Million	Fixed income securities £'Million	Equities £'Million	Investment in CIS £'Million
Opening balance	1,294.5	366.4	1,592.0	3.9
Transfer into Level 3	-	–	-	3.9
Transfer out of Level 3	-	-	-	-
Additions during the period	4.8	11.5	146.6	-
Disposals during the period	(112.6)	(37.0)	(127.9)	(0.1)
Gains/(losses) recognised in the Income statement	5.2	(22.5)	(28.2)	-
Closing balance	1,191.9	318.4	1,582.5	7.7
Realised (losses)/gains	(22.0)	1.3	5.1	-
Unrealised gains/(losses)	27.2	(23.8)	(33.3)	-
Gains/(losses) recognised in the Income statement	5.2	(22.5)	(28.2)	-

13. Fair value measurement (continued)

Year ended 31 December 2023	Investment property £'Million	Fixed income securities £'Million	Equities £'Million	Investment in CIS £'Million
Opening balance	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	–
Disposals 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)
Closing balance	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)

Realised (losses)/gains and unrealised (losses)/gains for all Level 3 assets are recognised within investment return in the IFRS Condensed Consolidated Statement of Comprehensive Income.

Level 3 valuations

Investment property

At 30 June 2024 the Group held £1,039.5 million (30 June 2023: £1,191.9 million, 31 December 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 monthly by professional external valuers at the properties' respective fair values. The fair values derived are based on anticipated market values for the properties in accordance with the 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, an 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.

13. Fair value measurement (continued)

	Investment property classification			
	Office	**Industrial**	**Retail and leisure**	**All**
30 June 2024				
Gross ERV (per sq ft)[1]				
Range	**£29.50 - £110.00**	**£5.25 - £24.00**	**£1.86 - £80.00**	**£1.86 - £110.00**
Weighted average	**£49.54**	**£10.44**	**£12.35**	**£14.59**
True equivalent yield				
Range	**4.7% - 10.3%**	**5.0% - 6.8%**	**6.2% - 9.6%**	**4.7% - 10.3%**
Weighted average	**6.6%**	**5.6%**	**7.6%**	**6.5%**
30 June 2023				
Gross ERV (per sq ft)[1]				
Range	£14.00 – £107.50	£5.00 – £24.00	£2.50 – £91.80	£2.50 – £107.50
Weighted average	£43.86	£13.21	£13.38	£16.78
True equivalent yield				
Range	4.3% – 9.7%	5.1% – 6.7%	5.7% – 10.5%	4.3% – 10.5%
Weighted average	6.4%	5.4%	7.3%	6.3%
31 December 2023				
Gross ERV (per sq ft)[1]				
Range	£29.50 – £110.00	£5.25 – £24.00	£2.50 – £97.54	£2.50 – £110.00
Weighted average	£49.58	£13.74	£13.53	£16.89
True equivalent yield				
Range	4.7% – 10.3%	5.0% – 6.8%	6.2% – 13.9%	4.7% – 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 30 June 2024 the Group held £135.7 million (30 June 2023: £318.4 million, 31 December 2023: £346.5 million) in private credit investments, and £1,138.8 million (30 June 2023: £1,581.0 million, 31 December 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 IFRS Condensed Consolidated Statement of Financial Position. They are initially measured at cost and are subsequently remeasured to fair value following a monthly valuation process 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 public credit rating in the loan market; and

2. The weighted average cost of capital (WACC) method, which determines the debt issuing entity's WACC with reference to observable market comparatives.

13. Fair value measurement (continued)

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 equity investments are principally determined using two valuation methods:

1. A market approach with reference to suitable market comparatives; and

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 equity 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 would 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 methodologies 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 valuation of certain investments in CIS 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 above, investment property is initially measured at cost including related acquisition costs and subsequently valued monthly by professional external valuers at their respective fair values. The following table sets out the effect of applying reasonably possible alternative assumptions, being a 5% movement in estimated rental value and a 25bps movement in the relative yield, to the valuation of the investment properties. Any change in the value of investment property is matched by the associated movement in the policyholder liability, and therefore would not impact on the shareholder net assets.

			Effect of reasonable possible alternative assumptions	
		Carrying value	Favourable changes	Unfavourable changes
	Investment property significant unobservable inputs	£'Million	£'Million	£'Million
30 June 2024	**Expected rental value / Relative yield**	**1,039.5**	**1,130.9**	**954.6**
30 June 2023	Expected rental value / Relative yield	1,191.9	1,311.0	1,103.8
31 December 2023	Expected rental value / Relative yield	1,110.3	1,207.5	1,021.0

13. Fair value measurement (continued)

Fixed income securities and equities

As set out above, 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 for 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 reasonable possible alternative assumptions	
		Carrying value	**Favourable changes**	**Unfavourable changes**
		£'Million	**£'Million**	**£'Million**
30 June 2024	**Fixed income securities**	**135.7**	**139.9**	**131.5**
	Equities	**1,141.0**	**1,298.3**	**1,049.4**
30 June 2023	Fixed income securities[1]	318.4	324.2	312.4
	Equities	1,582.5	1,779.2	1,402.6
31 December 2023	Fixed income securities	346.5	351.9	340.7
	Equities	1,627.0	1,813.0	1,449.2

[1] Fixed income securities favourable and unfavourable changes have been restated to correct an error. Favourable changes increased £27.0 million and unfavourable changes increased £25.9 million.

14. Cash generated from operations

	Six months ended 30 June 2024	Six months ended 30 June 2023[1]	Year ended 31 December 2023[1]
	£'Million	£'Million	£'Million
Cash flows from operating activities			
Profit before tax for the period	**577.0**	385.0	439.6
Adjustments for:			
Amortisation of purchased value of in-force business	**1.6**	1.6	3.2
Amortisation of computer software	**9.8**	7.3	15.4
Depreciation	**11.7**	11.3	24.0
Loss on disposal of computer software	**-**	–	0.8
Loss on disposal of property and equipment, including leased assets	**1.2**	0.5	2.3
Gain on disposal of subsidiary	**-**	-	(1.2)
Equity-settled share-based payment charge	**2.1**	9.9	4.9
Interest income[1]	**(113.3)**	(76.2)	(168.6)
Interest expense	**16.2**	7.0	17.3
Increase in provisions	**8.0**	9.5	454.1
Exchange rate losses	**0.3**	0.4	2.3
	(62.4)	(28.7)	354.5
Changes in operating assets and liabilities			
Decrease in deferred acquisition costs	**9.4**	15.2	32.2
Decrease in investment property	**70.8**	102.6	184.2
Increase in other investments	**(14,400.6)**	(9,664.4)	(21,077.2)
(Increase)/decrease in reinsurance assets	**(2.9)**	(0.7)	41.6
Increase in other receivables	**(1,008.5)**	(199.8)	(14.2)
Increase in insurance contract liabilities	**21.4**	4.8	25.5
Increase in financial liabilities (excluding borrowings)	**10,408.2**	7,184.2	15,991.8
Decrease in deferred income	**(13.6)**	(16.8)	(38.9)
Increase in other payables	**1,667.2**	479.3	206.2
Increase in net assets attributable to unit holders	**2,921.5**	2,215.4	3,908.1
	(327.1)	119.8	(740.7)
Cash generated from operations	**187.5**	476.1	53.4

[1] Restated to reclassify money market fund interest from interest income to interest received (six months ended 30 June 2023: £28.1 million, year ended 31 December 2023: £60.6 million), which had been misclassified.

15. 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
– Exercise of options	4,320,187	0.7
At 30 June 2023	548,555,944	82.3
– Exercise of options	48,850	-
At 31 December 2023	548,604,794	82.3
At 30 June 2024	**548,604,794**	**82.3**

Ordinary shares have a par value of 15 pence per share (30 June 2023: 15 pence per share, 31 December 2023: 15 pence per share) and are fully paid.

Included in the called-up share capital are 4,218,520 (30 June 2023: 3,684,721, 31 December 2023: 3,411,743) shares held in the Shares in trust reserve with a nominal value of £0.6 million (30 June 2023: £0.6 million, 31 December 2023: £0.5 million). The shares are held by the SJP Employee Benefit Trust and the St. James's Place 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 1,413,848 shares at 30 June 2024 (30 June 2023: 2,062,545 shares, 31 December 2023: 1,896,985 shares). The trustees of the St. James's Place 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 dividends on 205 shares at 30 June 2024 (30 June 2023: 146 shares, 31 December 2023: 556 shares).

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.

15. Share capital, earnings per share and dividends (continued)

Earnings per share

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
Earnings			
Profit/(loss) after tax attributable to equity shareholders (for both basic and diluted EPS)	**165.1**	161.6	(10.1)

	Million	Million	Million
Weighted average number of shares			
Weighted average number of ordinary shares in issue (for basic EPS)	**548.2**	546.0	547.6
Adjustments for outstanding share options	**4.7**	2.1	8.8
Weighted average number of ordinary shares (for diluted EPS)	**552.9**	548.1	556.4

	Pence	Pence	Pence
Earnings per share (EPS)			
Basic earnings per share	**30.1**	29.6	(1.8)
Diluted earnings per share	**29.9**	29.5	(1.8)

Dividends

The following dividends have been paid by the Group:

	Six months ended 30 June 2024	Six months ended 30 June 2023	Year ended 31 December 2023
	£'Million	£'Million	£'Million
Final dividend in respect of 2022 – 37.19 pence per ordinary share	**-**	203.1	203.1
Interim dividend in respect of 2023 – 15.83 pence per ordinary share	**-**	-	86.5
Final dividend in respect of 2023 – 8.0 pence per ordinary share	**43.8**	-	-
Total dividends	**43.8**	203.1	289.6

The Directors have resolved to pay an interim dividend of 6.00 pence per share (30 June 2023: 15.83 pence per share). This amounts to £32.9 million (30 June 2023: £86.5 million) and will be paid on 20 September 2024 to shareholders on the register as at 23 August 2024.

In addition, the Directors have resolved to undertake a share buyback programme committing to purchase shares up to a maximum value of £32.9 million. The share buyback will be implemented in the third quarter of 2024.

16. Events after the end of the reporting period

On 22 July 2024 £22.1 million Business loans to Partners directly funded by the Group were sold into Securitised business loans to Partners, with an associated £16.3 million receipt of cash and corresponding increase in Senior tranche of non-recourse securitisation loan notes. In addition, on the same date, £9.9 million of Business loans to Partners directly funded by the Group were repaid and refinanced by loans provided by third parties directly to Partners.

17. Statutory accounts

The financial information shown in this publication is unaudited and does not constitute statutory accounts. The comparative figures for the financial year ended 31 December 2023 are not the Company's statutory accounts for the financial year. Those accounts have been reported on by the Company's auditors and delivered to the Registrar of Companies.

The report of the auditors was unmodified and did not include a reference to any matter to which the auditors drew attention to, by way of emphasis without modifying their report, and did not contain a statement under section 498 of the Companies Act 2006.

18. Approval of the Half-Year Report

These Condensed Consolidated Half-Year Financial Statements were approved by the Board of Directors on 29 July 2024.

19. National storage mechanism

A copy of the Half-Year Report will be submitted shortly to the National Storage Mechanism (NSM) and will be available for inspection at the NSM, which is situated at: https://data.fca.org.uk/#/nsm/nationalstoragemechanism.

Independent review report to St. James's Place plc

Report on the condensed consolidated interim Financial Statements

Our conclusion

We have reviewed St. James's Place plc's condensed consolidated interim financial statements (the "interim financial statements") in the Press Release and Half-Year Report and Accounts of St. James's Place plc for the six-month period ended 30 June 2024 (the "period").

Based on our review, nothing has come to our attention that causes us to believe that the interim financial statements are not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

The interim financial statements comprise:

- the Condensed Consolidated Statement of Financial Position as at 30 June 2024;
- the Condensed Consolidated Statement of Comprehensive Income for the period then ended;
- the Condensed Consolidated Statement of Cash Flows for the period then ended;
- the Condensed Consolidated Statement of Changes in Equity for the period then ended; and
- the explanatory notes to the interim financial statements.

The interim financial statements included in the Press Release and Half-Year Report and Accounts of St. James's Place plc have been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority.

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity' issued by the Financial Reporting Council for use in the United Kingdom ("ISRE (UK) 2410"). A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We have read the other information contained in the Press Release and Half-Year Report and Accounts and considered whether it contains any apparent misstatements or material inconsistencies with the information in the interim financial statements.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the group to cease to continue as a going concern.

Responsibilities for the interim financial statements and the review

Our responsibilities and those of the directors

The Press Release and Half-Year Report and Accounts, including the interim financial statements, is the responsibility of, and has been approved by the directors. The directors are responsible for preparing the Press Release and Half-Year Report and Accounts in accordance with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority. In preparing the Press Release and Half-Year Report and Accounts, including the interim financial statements, the directors are responsible for assessing the Group'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 to cease operations, or have no realistic alternative but to do so.

Our responsibility is to express a conclusion on the interim financial statements in the Press Release and Half-Year Report and Accounts based on our review. Our conclusion, including our Conclusions relating to going concern, is based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion paragraph of this report. This report, including the conclusion, has been prepared for and only for the Company for the purpose of complying with the Disclosure Guidance and Transparency Rules sourcebook of the United Kingdom's Financial Conduct Authority and for no other purpose. We do not, in giving this conclusion, 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.

PricewaterhouseCoopers LLP
Chartered Accountants
Bristol
29 July 2024

Responsibility Statement of the Directors in respect of the Half-Year Financial Report

The Directors confirm that this consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the UK and that the interim management report includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Consolidated Financial Statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and

- material related-party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

The Directors of St. James's Place plc are listed in the St. James's Place plc Annual Report for 31 December 2023. A list of current Directors is maintained on the St. James's Place plc website: www.sjp.co.uk.

The Directors are responsible for the maintenance and integrity of the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

On behalf of the Board:

Mark FitzPatrick, Chief Executive Officer
29 July 2024

Craig Gentle, Chief Financial Officer
29 July 2024

Supplementary Information: Consolidated Half-Year Financial Statements on a Cash Result Basis

Consolidated Statement of Comprehensive Income on a Cash Result Basis

	Note	**Six months ended 30 June 2024**	Six months ended 30 June 2023[1]	Year ended 31 December 2023
		£'Million	£'Million	£'Million
Fee and commission income		**1,621.4**	1,354.9	2,835.2
Expenses[1]		**(1,084.2)**	(981.9)	(2,392.4)
Investment return[1]	5	**60.2**	33.7	66.7
Net reinsurance expense		**-**	-	(39.8)
Other finance income[1]		**9.7**	10.8	31.5
Profit before tax		**607.1**	417.5	501.2
Tax attributable to policyholders' returns		**(351.9)**	(169.3)	(444.2)
Tax attributable to shareholders' returns		**(53.0)**	(45.8)	11.7
Total Cash result profit for the period		**202.2**	202.4	68.7

[1]Restated to reclassify Other finance income. For the six months ended 30 June 2023 the restatement comprised a decrease of £7.0 million in Expenses, decrease of £17.8 million in Investment return and a corresponding net £10.8 million Other finance income recognised resulting in a net nil impact on the profit for the period.

The Note references above cross refer to the Notes within the Condensed Consolidated Financial Statements under IFRS as adopted by the UK on pages 48 to 84, except where denoted in Roman numerals.

Consolidated Statement of Changes in Equity on a Cash Result Basis

		Equity attributable to owners of the Parent Company							
		Share capital	Share premium	Shares in trust reserve	Misc. reserves	Retained earnings	Total	Non-controlling interests	Total equity
	Note	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million	£'Million
At 1 January 2023		81.6	227.8	(4.1)	2.5	1,071.9	1,379.7	0.2	1,379.9
Cash result for the period		–	–	–	–	202.3	202.3	0.1	202.4
Dividends	15	–	–	–	–	(203.1)	(203.1)	(0.2)	(203.3)
Exercise of options		0.7	5.7	–	–	–	6.4	–	6.4
Consideration paid for own shares		–	–	(0.5)	–	–	(0.5)	–	(0.5)
Shares sold during the year		–	–	3.8	–	(3.8)	–	–	–
Change in deferred tax		–	–	–	–	(12.1)	(12.1)	–	(12.1)
Impact of policyholder tax asymmetry		–	–	–	–	(17.5)	(17.5)	–	(17.5)
Change in goodwill, intangibles and other non-cash movements		–	–	–	–	(4.0)	(4.0)	–	(4.0)
At 30 June 2023		82.3	233.5	(0.8)	2.5	1,033.7	1,351.2	0.1	1,351.3
At 1 January 2024		**82.3**	**233.9**	**(0.7)**	**2.5**	**814.9**	**1,132.9**	**0.1**	**1,133.0**
Cash result for the period		**-**	**-**	**-**	**-**	**202.2**	**202.2**	**-**	**202.2**
Dividends	15	**-**	**-**	**-**	**-**	**(43.8)**	**(43.8)**	**(0.1)**	**(43.9)**
Consideration paid for own shares		**-**	**-**	**(3.6)**	**-**	**-**	**(3.6)**	**-**	**(3.6)**
Change in deferred tax		**-**	**-**	**-**	**-**	**(9.2)**	**(9.2)**	**-**	**(9.2)**
Impact of policyholder tax asymmetry		**-**	**-**	**-**	**-**	**(33.4)**	**(33.4)**	**-**	**(33.4)**
Change in goodwill, intangibles and other non-cash movements		**-**	**-**	**-**	**-**	**6.0**	**6.0**	**-**	**6.0**
At 30 June 2024		**82.3**	**233.9**	**(4.3)**	**2.5**	**936.7**	**1,251.1**	**-**	**1,251.1**

Consolidated Statement of Financial Position on a Cash Result Basis

	Note	**30 June 2024 £'Million**	30 June 2023 £'Million	31 December 2023 £'Million
Assets				
Property and equipment		**147.9**	156.8	153.1
Deferred tax assets		**1.7**	2.2	20.4
Investment in associates		**10.4**	4.7	10.2
Reinsurance assets		**9.7**	7.0	6.7
Other receivables		**2,600.8**	2,064.1	2,147.3
Fixed income securities	13	**8.4**	8.0	8.2
Investment in Collective Investment Schemes	13	**2,077.9**	1,250.5	1,454.4
Cash and cash equivalents		**349.4**	268.7	285.4
Total assets		**5,206.2**	3,762.0	4,085.7
Liabilities				
Borrowings	12	**490.6**	189.2	251.4
Deferred tax liabilities		**567.7**	228.9	414.5
Insurance contract liabilities		**24.7**	20.1	18.2
Other provisions	11	**508.1**	55.5	500.1
Other payables		**2,289.6**	1,890.4	1,757.0
Income tax liabilities		**74.4**	26.6	11.5
Total liabilities		**3,955.1**	2,410.7	2,952.7
Net assets		**1,251.1**	1,351.3	1,133.0
Shareholders' equity				
Share capital	15	**82.3**	82.3	82.3
Share premium		**233.9**	233.5	233.9
Shares in trust reserve		**(4.3)**	(0.8)	(0.7)
Miscellaneous reserves		**2.5**	2.5	2.5
Retained earnings		**936.7**	1,033.7	814.9
Shareholders' equity on a cash result basis		**1,251.1**	1,351.2	1,132.9
Non-controlling interests		**-**	0.1	0.1
Total equity on a Cash result basis		**1,251.1**	1,351.3	1,133.0

	Pence	Pence	Pence
Net assets per share	**228.1**	246.3	206.5

The Note references above cross refer to the Notes to the Condensed Consolidated Financial Statements under IFRS as adopted by the UK on pages 48 to 84, except where denoted in Roman numerals.

Notes to the Consolidated Financial Statements on a Cash Result Basis

I. Basis of preparation

The Consolidated Financial Statements on a Cash Result Basis have been prepared by adjusting the Financial Statements prepared in accordance with International Financial Reporting Standards adopted by the UK for items which do not reflect the cash emerging from the business. The adjustments are as follows:

1. Unit liabilities and net assets held to cover unit liabilities, as set out in Note 8, are policyholder balances which are removed in the Statement of Financial Position on a Cash Result Basis. No adjustment for payments in or out is required in the Statement of Comprehensive Income as this business is subject to deposit accounting, which means that policyholder deposits and withdrawals are recognised in the Statement of Financial Position under IFRS, with only marginal cash flows attributable to shareholders recognised in the Statement of Comprehensive Income. However, adjustment is required for the investment return and the movement in investment contract liabilities, which are offsetting and are both zero-ised.

2. Deferred acquisition costs, the purchased value of in-force business and deferred income assets and liabilities are removed from the Statement of Financial Position on a Cash Result Basis, and the amortisation of these balances is removed in the Statement of Comprehensive Income on a Cash Result Basis. The assets, liabilities and amortisation are set out in Note 7.

3. Equity-settled share-based payment expense is removed from the Statement of Comprehensive Income on a Cash Result Basis, and the relevant equity balances removed from the Statement of Financial Position on a Cash Result Basis.

4. Non-unit-linked insurance contract liabilities and reinsurance assets are removed in the Statement of Financial Position on a Cash Result Basis. The movement in the period relating to the balances removed from the Statement of Financial Position is also removed from the Statement of Comprehensive Income on a Cash Result Basis.

5. Goodwill, computer software intangible assets and some other assets and liabilities which are inadmissible under the Solvency II regime are removed from the Statement of Financial Position on a Cash Result Basis, however the movement in these figures are included in the Statement of Comprehensive Income on a Cash Result Basis.

6. Deferred tax assets and liabilities are adjusted in the Statement of Financial Position on a Cash Result Basis to reflect the adjustments noted above and other discounting differences between tax charges and IFRS accounting. However, the impact of movements in deferred tax assets and liabilities are not included in the Statement of Comprehensive Income on a Cash Result Basis.

7. Amounts due from the reinsurer, arising from the reinsurance recapture, are removed from the Statement of Comprehensive Income on a Cash result basis, consistent with the exclusion of the associated reinsurance asset from the Statement of Financial Position on a Cash basis.

II. Reconciliation of the IFRS balance sheet to the cash balance sheet

The Solvency II Net Assets (or Cash) Balance Sheet is based on the IFRS Condensed Consolidated Statement of Financial Position (on page 46), with adjustments made to accounting assets and liabilities to reflect the Solvency II regulations and the provision for insurance liabilities set equal to the associated unit liabilities.

The reconciliation between the IFRS and Solvency II Net Assets Balance Sheet as at 30 June 2024 is set out on page 27. The reconciliations as at 30 June 2023 and 31 December 2023 are provided on the following pages.

30 June 2023	IFRS Balance Sheet £'Million	Adjustment 1 £'Million	Adjustment 2 £'Million	Solvency II Net Assets Balance Sheet £'Million
Assets				
Goodwill	33.6	–	(33.6)	–
Deferred acquisition costs	321.4	–	(321.4)	–
Purchased value of in-force business	9.6	–	(9.6)	–
Computer software	32.7	–	(32.7)	–
Property and equipment	156.8	–	–	156.8
Deferred tax assets	6.4	–	(4.2)	2.2
Investment in associates	4.7	–	–	4.7
Reinsurance assets	55.3	–	(48.3)	7.0
Other receivables	3,177.0	(1,109.8)	(3.1)	2,064.1
Investment property	1,191.9	(1,191.9)	–	–
Equities	110,771.4	(110,771.4)	–	–
Fixed income securities	27,886.4	(27,878.4)	–	8.0
Investment in Collective Investment Schemes	7,174.1	(5,923.6)	–	1,250.5
Derivative financial instruments	4,149.6	(4,149.6)	–	-
Cash and cash equivalents	6,684.0	(6,415.3)	–	268.7
Total assets	161,654.9	(157,440.0)	(452.9)	3,762.0
Liabilities				
Borrowings	189.2	–	–	189.2
Deferred tax liabilities	219.5	–	9.4	228.9
Insurance contract liabilities	475.3	(417.8)	(37.4)	20.1
Deferred income	513.6	–	(513.6)	–
Other provisions	55.5	–	–	55.5
Other payables	2,670.2	(763.2)	(16.6)	1,890.4
Investment contract benefits	113,924.8	(113,924.8)	–	–
Derivative financial instruments	3,490.4	(3,490.4)	–	–
Net asset value attributable to unit holders	38,843.8	(38,843.8)	–	–
Income tax liabilities	26.6	–	–	26.6
Total liabilities	160,408.9	(157,440.0)	(558.2)	2,410.7
Net assets	1,246.0	–	105.3	1,351.3

31 December 2023	IFRS Balance Sheet £'Million	Adjustment 1 £'Million	Adjustment 2 £'Million	Solvency II Net Assets Balance Sheet £'Million
Assets				
Goodwill	33.6	–	(33.6)	–
Deferred acquisition costs	304.4	–	(304.4)	–
Purchased value of in-force business	8.0	–	(8.0)	–
Computer software	28.0	–	(28.0)	–
Property and equipment	153.1	–	–	153.1
Deferred tax assets	36.5	–	(16.1)	20.4
Investment in associates	10.2	–	–	10.2
Reinsurance assets	13.0	–	(6.3)	6.7
Other receivables	2,997.4	(846.9)	(3.2)	2,147.3
Investment property	1,110.3	(1,110.3)	–	–
Equities	116,761.5	(116,761.5)	–	–
Fixed income securities	27,244.7	(27,236.5)	–	8.2
Investment in Collective Investment Schemes	13,967.5	(12,513.1)	–	1,454.4
Derivative financial instruments	3,420.6	(3,420.6)	–	–
Cash and cash equivalents	6,204.3	(5,918.9)	–	285.4
Total assets	172,293.1	(167,807.8)	(399.6)	4,085.7
Liabilities				
Borrowings	251.4	–	–	251.4
Deferred tax liabilities	411.7	–	2.8	414.5
Insurance contract liabilities[1]	496.0	(435.2)	(42.6)	18.2
Deferred income	491.5	–	(491.5)	–
Other provisions	500.1	–	–	500.1
Other payables[1]	2,388.1	(613.3)	(17.8)	1,757.0
Investment contract benefits	123,149.8	(123,149.8)	–	–
Derivative financial instruments	3,073.0	(3,073.0)	–	–
Net asset value attributable to unit holders	40,536.5	(40,536.5)	–	–
Income tax liabilities	11.5	–	–	11.5
Total liabilities	171,309.6	(167,807.8)	(549.1)	2,952.7
Net assets	983.5	–	149.5	1,133.0

Adjustment 1 nets out the policyholder interest in unit-linked assets and liabilities.
Adjustment 2 comprises adjustment to the IFRS Condensed Consolidated Statement of Financial Position in line with Solvency II requirements, including removal of DAC, DIR, PVIF and their associated deferred tax balances, goodwill and other intangibles.

Other Information

Glossary of Alternative Performance Measures

Within this document 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 table below defines each APM, explains why it is used and, if applicable, details 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	Based on IFRS Net Assets, but with the following adjustments: 1. Adjustment to remove the matching client assets and the liabilities as these do not represent shareholder assets. 2. 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 business (PVIF) and their associated deferred tax balances, other intangibles and some other small items which are treated as inadmissible from a regulatory perspective; and 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.	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.	Refer to page 27.
Total embedded value	A discounted cash flow valuation methodology, assessing the long-term economic value of the business. 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.	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 total economic value of the Group is useful to investors.	Not applicable.
EEV net asset value (NAV) per share	EEV net asset value per share is calculated as the EEV net assets divided by the period-end number of ordinary shares.	Total embedded value provides a measure of total economic value of the Group, and assessing the NAV per share allows analysis of the overall value of the Group by share.	Not applicable.
IFRS NAV per share	IFRS net asset value per share is calculated as the IFRS net assets divided by the period-end number of ordinary shares.	Total IFRS net assets provides a measure of value of the Group, and assessing the NAV per share allows analysis of the overall value of the Group by share.	Not applicable.

Financial-performance-related APMs

APM	Definition	Why is this measure used?	Reconciliation to the Financial Statements
Cash result, and Underlying cash result	The Cash result is defined as the movement between the opening and closing Solvency II net assets adjusted as follows: 1. The movement in deferred tax is excluded, except that arising from the establishment of 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 period and equity-settled share option costs, are excluded. 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. The Cash result reflects all other cash items, including any items of a one-off nature and temporary timing differences. Neither the Cash result nor the Underlying cash result should be confused with the IFRS Condensed Consolidated Statement of Cash Flows which is prepared in accordance with IAS 7.	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 result to monitor the level of cash generated by the business. While the Cash result gives an absolute measure of the cash generated in the period, the Underlying cash result is particularly useful for monitoring the expected long-term rate of cash emergence, which supports dividends and sustainable dividend growth.	Refer to Section 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)	These EPS measures are calculated as Underlying cash divided by the number of shares used in the calculation of IFRS basic and diluted EPS.	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	Derived as the movement in the total EEV during the period.	Both the IFRS and Cash results reflect only the cash flows in the period. However, our business is long-term, and activity in the period can generate business with a long-term value. We therefore believe it is helpful to understand the full economic impact of activity in the period, which is the aim of the EEV methodology.	See Note 3 to the Consolidated Financial Statements.
EEV operating profit	A discounted cash flow valuation methodology, assessing the long-term economic value of the business. 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. The EEV operating profit reflects the total EEV result with an adjustment to strip out	Both the IFRS and Cash results reflect only the cash flows in the period. However, our business is long-term, and activity in the period can generate business with a long-term value. We therefore believe it is helpful to understand the full economic impact of activity in the period, which is the aim of the EEV methodology. 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	See Note 3 to the Consolidated Financial Statements.

APM	Definition	Why is this measure used?	Reconciliation to the Financial Statements
	the impact of stock market and other economic effects during the period. Within EEV operating profit is new business contribution, which is the change in embedded value arising from writing new business during the period.	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 period.	
Policyholder and shareholder tax	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. The remainder of the tax charge represents tax on policyholders' investment returns. This calculation method is consistent with the legislation relating to the calculation of the tax on shareholders' profits.	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. Life insurance business impacted by this tax typically includes policy charges which align with the tax liability, to mitigate the impact on the corporate. 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.	Disclosed as separate line items in the Condensed Consolidated 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 Condensed 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 Condensed Consolidated Statement of Comprehensive Income.
Underlying profit	A profit measure which reflects the IFRS result adjusted to remove the DAC, DIR and PVIF adjustments.	The IFRS methodology promotes recognition of profits in line with the provision of services and so, for long-term business, some of the initial cash flows are spread over the life of the contract through the use of intangible assets and liabilities (DAC and DIR). Due to the Retail Distribution Review (RDR) regulation change in 2013, there was a step-change in the progression of these items in our accounts, which resulted in significant accounting presentation changes despite the fundamentals of our business remaining unchanged. We therefore believe it is useful to consider the IFRS result having removed the impact of	Refer to Section 2.1 of the Financial Review.

APM	Definition	Why is this measure used?	Reconciliation to the Financial Statements
		movements in these intangibles as it better reflects the underlying performance of the business.	
Controllable expenses	The total of expenses which reflects Establishment, Development and our Academy.	We are focused on containing long-term growth in controllable expenses.	A reconciliation of total expenses as presented on the face of the Cash result before tax to IFRS expenses is provided in Section 2.2 of the Financial Review.