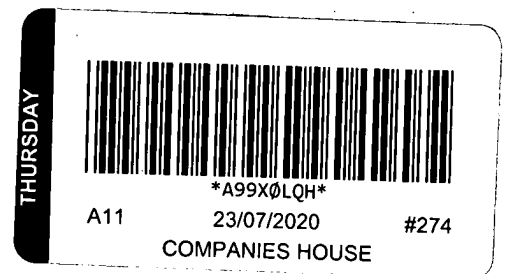


Registered Number 03630730

**SBJ GROUP LIMITED**  
**Consolidated Financial Statements**  
**for the year ended 31 December 2019**



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Registered Office: 5 Old Broad Street, London EC2N 1AD

**SBJ Group Limited**  
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**SBJ Group Limited**  
Company information

**Directors**

R. J. A. Moquet  
S. N. Teale  
T. J. Page

**Independent Auditor**

Mazars LLP  
Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St Katharine's Way  
London  
E1W 1DD

## **SBJ Group Limited**

### **Strategic report**

The directors present their Strategic Report on SBJ Group Limited (the 'Company') and its subsidiaries for the year ended 31 December 2019.

#### **REVIEW OF THE BUSINESS**

The Company is a holding company for AXA UK plc's financial advisory companies, together "the Group". The business of this Group is to service the legacy business arising from the historic provision of financial advice to individuals in the pension, life assurance, investment and mortgage sectors.

#### **Results and performance**

The results of the Group for the year are set out on page 9 and show a profit on ordinary activities before tax of £346,000 (2018: £920,000). The shareholder's funds of the Group total £14,304,000 (2018: £14,038,000).

#### **Business environment**

The business of this Group is operated through Thinc Group Limited, a company regulated by the Financial Conduct Authority.

#### **Strategy**

AXA UK's strategy for 2020-2023 will focus on five core themes which resonate with each of the four business units and drive value for the UK business as a whole. The Group will align its own strategy as far as possible to those themes.

#### **Key performance indicators (KPI)**

The holding company activities are affected by the performance of the operating subsidiaries. The performance indicators of the operating subsidiaries are disclosed in their individual financial statements.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Company has processes for risk acceptance and risk management which are addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval and ongoing review by management and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and the compliance and finance teams take on an important oversight role in this regard.

The Company has low exposure to credit risk and normal exposure to price, interest, cash flow and liquidity risks.

#### **FUTURE DEVELOPMENTS**

The Company will continue to provide support to its subsidiary companies and settle any valid claims.

The impact of the COVID-19 pandemic is being monitored and plans are being established and implemented to manage the effects of the outbreak and assess disruptions and other risks to its operations. In particular the Group's management information flows, risk management processes and internal controls systems are being closely monitored and alternative mitigating controls are being introduced as appropriate. The directors are also monitoring potential adverse effects of the spread of COVID-19 on the Company's holding's in subsidiaries, in particular, the scope and severity of any further downturn in global financial markets and the global economy and consequential impacts the AXA UK Group investment portfolio; and the extent of the impact on the businesses of the companies to which the Company acts as a holding company. Depending on the rate of transmission and related mortality, COVID-19 may have significant adverse effects on our business, operations and financial results. The directors consider that the financial impact of the COVID-19 virus on the UK economy and the company is not currently estimable with any degree of certainty.

**SBJ GROUP Limited**

Strategic report (continued)

**BREXIT**

The implications to the Group of the United Kingdom's departure from the European Union on 31 January 2020 have been considered, specifically the effects this could have on estimations and judgements made in the preparation of the financial statements. Whilst this assessment is ongoing with management carefully monitoring the latest events, as described above the Group has in place robust and effective capital and risk management processes, and the risks arising from Brexit are being managed alongside a range of risks inherent to its business. The Directors anticipate limited operational impacts arising from Brexit.

Signed on behalf of the Board by



**S.N. Teale**

Director

24 June 2020

## **SBJ Group Limited**

### **Directors' Report**

The directors present their report and the audited financial statements for the year ended 31 December 2019.

#### **FUTURE DEVELOPMENTS**

Future developments are discussed in the Strategic Report.

#### **GOING CONCERN**

The directors believe that the Company, despite the current uncertain economic outlook arising from the current COVID-19 pandemic, has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Consolidated Financial Statements.

#### **DIVIDENDS**

The directors do not recommend payment of a final dividend for the year ended 31 December 2019 (2018: £nil).

#### **DIRECTORS**

The directors, who held office during the year, were as follows:

- C. G. Bobby (resigned 31 December 2019)
- A. M. Breitburd (appointed 25 November 2019 and resigned 31 March 2020)
- S. N. Teale
- T. J. Page and R. J. A. Moquet were appointed to the Board on 1 April 2020

#### **DIRECTORS' QUALIFYING THIRD PARTY AND PENSION SCHEME INDEMNITY PROVISIONS**

The Company is party to a group wide indemnity policy which benefits all of its current directors and is a qualifying third party indemnity provision for the purpose of the Companies Act 2006.

The indemnification was in force during the year and at the date of approval of the financial statements.

#### **EMPLOYEES**

The Group no longer employs any staff directly.

#### **BRANCHES OUTSIDE THE UK**

The Company does not operate branches outside the UK.

#### **POLITICAL DONATIONS**

The Company made no donations for political purposes.

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#### **POST BALANCE SHEET EVENTS**

During December 2019, a number of cases of pneumonia associated with the Coronavirus, now called COVID-19 by the World Health Organization ("WHO"), were reported in the People's Republic of China. In the early part of 2020 this virus subsequently spread to many other countries, and it is currently not possible to know or to predict the extent to which the current levels of reported cases reflect the actual transmission of the virus within populations, and accordingly the scale of the pandemic may be significantly larger than is presently recorded.

Authorities in many countries, including the UK, have taken stringent measures (including travel restrictions, home quarantine, lockdowns, and school closures) to contain the pace and scale of its spread. This has led to significant disruptions in the global travel and hospitality industries, and in global trade and supply chains more broadly; has resulted in decreased economic activity and lowered estimates for future economic growth; has created severe strains on local, national and supra-national medical and healthcare systems and institutions; and has caused global financial markets to experience significant volatility and the worst downturn since the 2008 crisis.

**SBJ Group Limited**  
**Directors' report (continued)**

The Company and the companies in which it has a holding, are in the process of establishing and implementing plans to address how they will manage the effects of the outbreak and assess disruptions and other risks to its operations. These include the protection of employees, sustaining services to customers and other stakeholders and ensuring effective processes are in place to communicate and execute such plans.

The directors are closely monitoring the Company's exposures to the COVID-19 outbreak, including (i) the operational impact on its business, (ii) the consequences from a deterioration in macroeconomic conditions.

**STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITOR**

Each director in office at the date of approval of this report confirms that:

- (a) so far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- (b) he/she has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, including FRS 102, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Signed on behalf of the Board by

*Susan Teale*

**S.N. Teale**  
 Director  
 24 June 2020

## **SBJ Group Limited**

### **Independent auditor's report**

#### **Opinion**

We have audited the financial statements of SBJ Group Limited (the "Parent Company") and its subsidiaries (the 'Group') for the year ended 31 December 2019 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheets, the Statements of Changes in Equity, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice)).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2019 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements**

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 2, and the consideration in the going concern basis of preparation on page 13 and non-adjusting post balance sheet events on page 22.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

#### **The impact of uncertainties due to the United Kingdom exiting the European Union on our audit**

The directors' view on the impact of Brexit is disclosed on page 2. The terms on which the United Kingdom may withdraw from the European Union, are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.



**SBJ Group Limited**  
**Independent auditor's report (continued)**

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard:

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **SBJ Group Limited**

### **Independent auditor's report (continued)**

#### **Responsibilities of Directors**

As explained more fully in the statement of directors' responsibilities set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

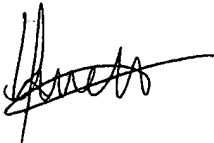
#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of the audit report**

This report is made solely to the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



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**Leanne Finch (Senior Statutory Auditor)**

for and on behalf of Mazars LLP  
Chartered Accountants and Statutory Auditor  
Tower Bridge House  
St Katharine's Way  
London E1W 1DD  
24 June 2020

**SBJ Group Limited**  
**Consolidated and Company Balance Sheets**  
**as at 31 December 2019**

|   | Note | Group<br>2019<br>£'000 | 2018<br>£'000 | Company<br>2019<br>£'000 | 2018<br>£'000 |
|---|------|------------------------|---------------|--------------------------|---------------|
| <b>Fixed assets</b>                                   |      |                        |               |                          |               |
| Intangible assets                                     | 6    | -                      | 8             | -                        | -             |
| Investments   | 7    | -                      | -             | 31,050                   | 31,050        |
|   |      | -                      | 8             | 31,050                   | 31,050        |
| <b>Current assets</b>                                 |      |                        |               |                          |               |
| Debtors   | 8    | 10,774                 | 10,845        | 3                        | 3             |
| Financial assets                                      | 10   | 2,469                  | 2,981         | -                        | -             |
| Cash and cash equivalents                             |      | 7,178                  | 9,901         | -                        | -             |
|   |      | 20,421                 | 23,727        | 3                        | 3             |
| <b>Creditors: amounts falling due within one year</b> |      |                        |               |                          |               |
|   | 11   | (5,317)                | (7,295)       | (17,019)                 | (17,016)      |
| <b>Net current assets/(liabilities)</b>               |      |                        |               |                          |               |
|   |      | 15,104                 | 16,432        | (17,019)                 | (17,013)      |
| <b>Total assets less current liabilities</b>          |      |                        |               |                          |               |
|   |      | 15,104                 | 16,440        | 14,034                   | 14,037        |
| <b>Provisions</b>                                     |      |                        |               |                          |               |
|   | 12   | (800)                  | (2,402)       | -                        | -             |
| <b>Net assets</b>                                     |      |                        |               |                          |               |
|   |      | 14,304                 | 14,038        | 14,034                   | 14,037        |
| <b>Capital and reserves</b>                           |      |                        |               |                          |               |
| Called up share capital                               | 13   | 28                     | 28            | 28                       | 28            |
| Capital contribution                                  | 14   | 42,106                 | 42,106        | 42,106                   | 42,106        |
| Profit and loss account                               | 14   | (27,830)               | (28,096)      | (28,100)                 | (28,097)      |
| <b>Total shareholder's funds</b>                      |      |                        |               |                          |               |
|   |      | 14,304                 | 14,038        | 14,034                   | 14,037        |

The financial statements on pages 9 to 23 were approved by the Board on 24 June 2020 and were signed on its behalf by:

*Susan Teale*

**S.N. Teale**  
 Director

**SBJ Group Limited**  
**Consolidated Profit and Loss Account**  
**for the year ended 31 December 2019**

|   | Note | 2019<br>£'000 | 2018<br>£'000 |
|---|------|---------------|---------------|
| Turnover  |      | 1,292         | 1,449         |
| Cost of sales   |      | -             | (20)          |
| Administrative expenses   |      | (967)         | (539)         |
| <b>Profit on ordinary activities before interest and taxation</b> |      | <b>325</b>    | <b>890</b>    |
| Interest receivable and similar income                            | 3    | 21            | 30            |
| <b>Profit on ordinary activities before taxation</b>              | 4    | <b>346</b>    | <b>920</b>    |
| Tax charge on profit on ordinary activities                       | 5    | (80)          | (104)         |
| <b>Profit for the financial year</b>                              |      | <b>266</b>    | <b>816</b>    |

All amounts are derived from continued operations.

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The loss for the Company for the year was £3,000 (2018: loss £824,000).

There were no recognised gains and losses for the current and preceding financial year other than the profit for the financial year and therefore no statement of Comprehensive Income has been presented.

The notes on pages 13 to 23 form an integral part of these financial statements.

**SBJ Group Limited**  
**Statements of Changes in Equity**  
**for the year ended 31 December 2019**

**Consolidated statement of changes in equity**

|   | <b>Called up<br/>share<br/>capital<br/>£'000</b> | <b>Capital<br/>contribution<br/>£'000</b> | <b>Profit and<br/>loss<br/>£'000</b> | <b>Total<br/>£'000</b> |
|---|--|---|--------------------------------------|------------------------|
| At 1 January 2019   | 28   | 42,106                                    | (28,096)                             | 14,038                 |
| Profit for the financial year and<br>total comprehensive income | -  | -   | 266                                  | 266                    |
| <b>At 31 December 2019</b>                                      | <b>28</b>  | <b>42,106</b>                             | <b>(27,830)</b>                      | <b>14,304</b>          |

|   | <b>Called up<br/>share<br/>capital<br/>£'000</b> | <b>Capital<br/>contribution<br/>£'000</b> | <b>Profit and<br/>loss<br/>£'000</b> | <b>Total<br/>£'000</b> |
|---|--|---|--------------------------------------|------------------------|
| At 1 January 2018   | 28   | 42,106                                    | (28,912)                             | 13,222                 |
| Profit for the financial year and<br>total comprehensive income | -  | -   | 816                                  | 816                    |
| <b>At 31 December 2018</b>                                      | <b>28</b>  | <b>42,106</b>                             | <b>(28,096)</b>                      | <b>14,038</b>          |

**Company statement of changes in equity**

|   | <b>Called up<br/>share<br/>capital<br/>£'000</b> | <b>Capital<br/>contribution<br/>£'000</b> | <b>Profit and<br/>loss<br/>£'000</b> | <b>Total<br/>£'000</b> |
|---|--|---|--------------------------------------|------------------------|
| At 1 January 2019   | 28   | 42,106                                    | (28,097)                             | 14,037                 |
| Loss for the financial year and<br>total comprehensive income | -  | -   | (3)                                  | (3)                    |
| <b>At 31 December 2019</b>                                    | <b>28</b>  | <b>42,106</b>                             | <b>(28,100)</b>                      | <b>14,034</b>          |

|   | <b>Called up<br/>share<br/>capital<br/>£'000</b> | <b>Capital<br/>contribution<br/>£'000</b> | <b>Profit and<br/>loss<br/>£'000</b> | <b>Total<br/>£'000</b> |
|---|--|---|--------------------------------------|------------------------|
| At 1 January 2018   | 28   | 42,106                                    | (27,273)                             | 14,861                 |
| Loss for the financial year and<br>total comprehensive income | -  | -   | (824)                                | (824)                  |
| <b>At 31 December 2018</b>                                    | <b>28</b>  | <b>42,106</b>                             | <b>(28,097)</b>                      | <b>14,037</b>          |

The notes on pages 13 to 23 form an integral part of these financial statements.

**SBJ Group Limited**

Consolidated statement of cash flows  
for the year ended 31 December 2019

|  | Note | 2019<br>£'000  | 2018<br>£'000 |
|--|------|----------------|---------------|
| <b>Cash (outflows)/inflows from operating activities</b> | 15   | <b>(2,980)</b> | 3,429         |
| <b>Cash flows from financing activities</b>              |      |                |               |
| Interest received  |      | 21             | 23            |
| Investments redeemed                                     |      | 236            | 493           |
| <b>Net cash inflow from financing</b>                    |      | <b>257</b>     | 516           |
| <b>(Decrease)/increase in cash in the year</b>           |      | <b>(2,723)</b> | 3,945         |
| Net funds at 1 January                                   |      | 9,901          | 5,956         |
| <b>(Decrease)/increase in cash in the year</b>           |      | <b>(2,723)</b> | 3,945         |
| <b>Cash and cash equivalents at 31 December</b>          |      | <b>7,178</b>   | 9,901         |

**SBJ Group Limited**

Notes to the financial statements  
as at 31 December 2019

**General information**

SBJ Group Limited ("the Company") acts as a holding company.

The Company is a private company limited by shares under the Companies Act 2006, with the entire share capital held by its parent, Thinc UK Group Limited which is incorporated and domiciled in the United Kingdom ("UK"). The address of its registered office is 5 Old Broad Street, London, EC2N 1AD.

**1. Statement of compliance**

The consolidated financial statements of the group have been prepared on a going concern basis in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006, under the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410).

**2. Principal accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

**I. Basis of presentation**

The consolidated and separate financial statements are prepared on a going concern basis under the historical cost convention, as modified by the revaluation of available for sale financial investments and financial instruments at fair value through the profit and loss account, and in accordance with the Companies Act 2006.

The directors consider that the financial impact of the COVID-19 virus on the UK economy and the Company is not currently estimable with any degree of certainty. The directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and accordingly, they continue to adopt the going concern basis in preparing the Annual Financial Report.

The preparation of financial statements in compliance with FRS 102 requires management to monitor and exercise judgment in the selection and application of appropriate accounting policies and in the use of accounting estimates. Those areas that could have a significant impact to the financial statements are set out in accounting policy VIII.

As a qualifying entity, the Company has applied the following exemptions in the preparation of these financial statements, in accordance with FRS 102:

- a) The requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A provided disclosures equivalent to those required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- b) The requirement of Section 33 Related Party Disclosures paragraph 33.7.

**II. Turnover**

Turnover represents the value of commission income and is recognised when received.

**III. Interest receivable and similar income**

Interest is credited to the profit and loss account when earned.

**IV. Investments in subsidiary undertakings**

Investment in group undertakings are stated at cost unless their value has been impaired, in which case they are valued at their recoverable amount, being the higher of fair value less costs of disposal and value in use. The investments are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

**SBJ Group Limited**

Notes to the financial statements (continued)  
as at 31 December 2019

**V. Financial assets**

Financial assets are classified in the following categories: at fair value through profit or loss; available for sale; held to maturity; and loans and receivables. The classification of financial assets is determined on initial recognition and depends on the purpose for which the financial assets were acquired or originated.

Financial assets at fair value through profit or loss include financial assets held for trading and those designated upon initial recognition at fair value through profit or loss. Investments acquired principally for the purpose of selling in the short term are classified as held for trading.

A financial asset is recognised on the date on which the Company enters into a commitment to purchase or sell the asset, the trade date. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

**VI. Provisions**

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are not recognised for future operating losses.

**VII. Taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination than, at the time of the transaction, affect neither accounting not taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The carrying value at the reporting date of the net deferred tax asset is £3,000 (2018: £9,000), further details of which are disclosed in accounting policy, above, and note 9. Significant management judgement is applied to determine the deferred tax asset that can be recognised and is based on the probability of future taxable profits.



**SBJ Group Limited**

Notes to the financial statements (continued)  
as at 31 December 2019

**VIII. Critical accounting estimates and judgements in applying accounting policy**

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**(a) Fair value of financial assets**

The carrying value at the reporting date of the financial assets is £2,000,000 (2018: £3,000,000). In accordance with accounting policy V the financial assets are valued using prices obtained from fund managers.

**(b) Provisions**

Provision is made for (i) redress for customer complaints £527,000 (2018: £597,000) and (ii) obligations from the sale of a company £273,000 (2018: £1,805,000). These provisions require management's best estimate of costs that will be incurred based on estimates provided by the Company's lawyers and on loss calculations.

**3. Interest receivable and similar income**

|                                  | 2019<br>£'000 | 2018<br>£'000 |
|----------------------------------|---------------|---------------|
| Interest on cash held on deposit | 21            | 23            |
| Other interest                   | -             | 7             |
| <b>Total</b>                     | <b>21</b>     | <b>30</b>     |

**4. Profit on ordinary activities before taxation**

Operating profit on ordinary activities before taxation is stated after charging:

|   | 2019<br>£'000 | 2018<br>£'000 |
|---|---------------|---------------|
| Amortisation of intangibles   | 8             | 13            |
| <b>Audit services *</b>   |               |               |
| Fees payable to the Company's auditor for the audit of the Group's accounts       | 8             | 8             |
| Fees payable to the Company's auditor for the audit of the subsidiaries' accounts | 28            | 28            |

The remuneration of the auditor was borne by its parent company, AXA UK plc.

**SBJ Group Limited**

Notes to the financial statements (continued)  
as at 31 December 2019

**5. Tax on profit on ordinary activities**

The tax charge for the year comprises:

|   | 2019<br>£'000 | 2018<br>£'000 |
|---|---------------|---------------|
| Current tax:  |               |               |
| UK corporation tax on profits/(losses) for the year | 75            | (103)         |
| Adjustments in respect of prior periods             | -             | (3)           |
| <b>Total current tax</b>                            | <b>75</b>     | <b>(106)</b>  |
| Deferred tax:                                       |               |               |
| Origination and reversal of timing differences      | 5             | 210           |
| Impact of change in tax rate on opening liability   | -             | -             |
| <b>Total deferred tax</b>                           | <b>5</b>      | <b>210</b>    |
| <b>Total tax charge for the year</b>                | <b>80</b>     | <b>104</b>    |

The tax rate for the current year remains at 19%.

Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2016 (on 6 September 2016). These include reductions to the main rate, to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates.

It was announced in the budget on 11 March 2020 that the above noted corporation tax reduction will be repealed. The effect of this change would be to increase the deferred tax asset at 31 December 2019 by £nil.

The budget announcement was substantively enacted on 17 March 2020. Deferred taxes at the balance sheet date continue to be measured at the enacted rate at the end of the reporting period of 17%.

There is no expiry date on timing differences, unused tax losses or tax credits.

**Reconciliation of tax charge**

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax is as follows:

|  | 2019<br>£'000 | 2018<br>£'000  |
|--|---------------|----------------|
| <b>Profit on ordinary activities before tax</b>  | <b>347</b>    | <b>920</b>     |
| <del>Profit on ordinary activities at standard UK corporation tax rate of 19%<br/>(2018: 19.25%)</del> | <del>65</del> | <del>175</del> |
| Effects of:  |               |                |
| Expenses not deductible for tax purposes   | 15            | (53)           |
| Rate change adjustment   | -             | (15)           |
| Adjustments in respect of previous years   | -             | (3)            |
| <b>Total tax charge</b>  | <b>80</b>     | <b>104</b>     |

**SBJ Group Limited**Notes to the financial statements (continued)  
as at 31 December 2019**6. Intangible assets**

| <b>Group</b>                       | <b>Trail<br/>commissions<br/>£'000</b> |
|------------------------------------|--|
| <hr/>                              |  |
| At 31 December 2018                |  |
| Cost                               | 2,289                                  |
| Accumulated amortisation           | (2,280)                                |
| <b>Net book amount</b>             | <b>8</b>                               |
| <hr/>                              |  |
| <b>Year ended 31 December 2019</b> |  |
| Amortisation                       | (8)                                    |
| <b>Closing net book amount</b>     | <b>-</b>                               |
| <hr/>                              |  |
| <b>At 31 December 2019</b>         |  |
| Cost                               | 2,289                                  |
| Accumulated amortisation           | (2,289)                                |
| <b>Net book amount</b>             | <b>-</b>                               |

The Company had no intangible assets at 31 December 2019 (2018: £nil).

**7. Investments****Company only**

|  | <b>2019<br/>£'000</b> | <b>2018<br/>£'000</b> |
|--|-----------------------|-----------------------|
| <hr/>  |                       |                       |
| <b>Investment in subsidiary undertakings</b> |                       |                       |
| Carrying value at 1 January                  | 31,050                | 31,868                |
| Provision for impairment in value            | -                     | (818)                 |
| <b>At 31 December</b>                        | <b>31,050</b>         | <b>31,050</b>         |
| <hr/>  |                       |                       |
| <b>Cost</b>                                  |                       |                       |
| <b>At 31 December</b>                        | <b>42,906</b>         | <b>42,906</b>         |

A complete list of subsidiary and associate undertakings is shown in the below table.

|                                      | Address of registered office             | Percentage<br>of ordinary<br>shares held |
|--------------------------------------|--|--|
| <b>Advisory business</b>             |  |  |
| Thinc Holdings Limited               | 5 Old Broad Street, London, EC2N 1AD, UK | *100%                                    |
| Thinc Group Limited                  | 5 Old Broad Street, London, EC2N 1AD, UK | 100%                                     |
| Thinc Management Services<br>Limited | 5 Old Broad Street, London, EC2N 1AD, UK | 100%                                     |
| Thinc Personal Consulting<br>Limited | 5 Old Broad Street, London, EC2N 1AD, UK | 100%                                     |

\* indicates holdings held directly by the Company

In the opinion of the directors, the values of the investments of the Company in its subsidiary undertakings are not less than the amounts at which they are stated in the balance sheet.

**SBJ Group Limited**

Notes to the financial statements (continued)  
as at 31 December 2019

**7. Investments (continued)**

## Impairments

Following a review of the recoverable amount, no impairment was made against the Company's holding in Thinc Holdings Limited (2018: £818,000). The impairment test uses business plans approved by management. When assessing the value in use of the holding, financial forecasts extending six years into the future have been used. This length of period has been used as the directors feel that it generates a reasonable assessment of the value in use of Thinc Holdings Limited.

**8. Debtors**

|   | Group         |               | Company       |               |
|---|---------------|---------------|---------------|---------------|
|   | 2019<br>£'000 | 2018<br>£'000 | 2019<br>£'000 | 2018<br>£'000 |
| <b>Amounts falling due within one year:</b> |               |               |               |               |
| Other debtors                               | 8,757         | 9,021         | -             | -             |
| Prepayments and accrued income              | 62            | 55            | -             | -             |
| Corporation tax                             | 265           | 234           | 3             | 3             |
| <b>Amounts falling due after one year:</b>  |               |               |               |               |
| Deferred tax (note 9)                       | 3             | 9             | -             | -             |
| Other debtors                               | 1,680         | 1,526         | -             | -             |
| <b>Total</b>                                | <b>10,774</b> | <b>10,845</b> | <b>3</b>      | <b>3</b>      |

Amounts owed by group undertakings due within one year are unsecured, interest free and are repayable on demand.

Other debtors are amounts recoverable in relation to complaints settled.

**9. Deferred tax asset**

The Group's deferred tax asset is made up as follows:

|  | 2019<br>£'000 | 2018<br>£'000 |
|--|---------------|---------------|
| Accelerated capital allowances                 | 3             | 5             |
| Timing differences                             | -             | 4             |
|  | 3             | 9             |
| At 1 January                                   | 9             | 219           |
| Deferred tax charge in profit and loss account | (6)           | (210)         |
| <b>At 31 December</b>                          | <b>3</b>      | <b>9</b>      |

The Company has no deferred tax.

Deferred tax assets and liabilities are offset only where the company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority.

At the balance sheet date, the amount of net reversals of deferred tax liabilities and deferred tax assets expected to occur during the year following the reporting period is £nil (2018: £2,000). An explanation of these reversals is that capital allowances exceed depreciation.

Under UK legislation there is no expiry date for timing differences, unused tax losses and unused tax credits.

The deferred tax asset is included within debtors.

**SBJ Group Limited**Notes to the financial statements (continued)  
as at 31 December 2019**10. Financial assets****Fair value estimation****Group**

The following table provides an analysis of financial instruments carried at fair value, by valuation method; grouped into the levels described below based on the degree to which the fair value is observable.

|         |  |
|---------|--|
| Level 1 | Quoted prices (unadjusted) in active markets for identical assets or liabilities.  |
| Level 2 | 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 3 | Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).   |

**Financial assets presented in the fair value measurement hierarchy at 31 December 2019**

|                    | 2019  | Level 1 | Level 2 | Level 3 |
|--------------------|-------|---------|---------|---------|
|                    | £'000 | £'000   | £'000   | £'000   |
| <b>Description</b> |       |         |         |         |
| UCIS funds         | 2,469 | -       | 2,469   | -       |

**Financial assets presented in the fair value measurement hierarchy at 31 December 2018**

|                    | 2018  | Level 1 | Level 2 | Level 3 |
|--------------------|-------|---------|---------|---------|
|                    | £'000 | £'000   | £'000   | £'000   |
| <b>Description</b> |       |         |         |         |
| UCIS funds         | 2,981 | -       | 2,981   | -       |

The Company has no financial assets.

**11. Creditors: amounts falling due within one year**

|  | Group        |              | Company       |               |
|--|--------------|--------------|---------------|---------------|
|  | 2019         | 2018         | 2019          | 2018          |
|  | £'000        | £'000        | £'000         | £'000         |
| Trade creditors                                | -            | 162          | -             | -             |
| Amounts owed to fellow subsidiary undertakings | 4,998        | 6,706        | -             | -             |
| Amounts owed to subsidiary undertakings        | -            | -            | 17,016        | 17,016        |
| Other taxation and social security             | 229          | 122          | -             | -             |
| Accruals and deferred income                   | 90           | 305          | 3             | -             |
| <b>Total</b>                                   | <b>5,317</b> | <b>7,295</b> | <b>17,019</b> | <b>17,016</b> |

**SBJ Group Limited**

Notes to the financial statements (continued)  
as at 31 December 2019

**12. Provisions****Group**

The Group had the following provisions during the year

|   | Compensation and<br>complaints<br>£'000 | Sale of<br>investment<br>£'000 | Total<br>£'000 |
|---|---|--------------------------------|----------------|
| At 1 January 2019                             | 597                                     | 1,805                          | 2,402          |
| Utilised                                      | (99)                                    | (1,532)                        | (1,631)        |
| Charged/(released) to profit and loss account | 29                                      | -                              | 29             |
| <b>At 31 December 2019</b>                    | <b>527</b>                              | <b>273</b>                     | <b>800</b>     |

Compensation and complaints.

Provision has been made for possible redress payments in respect of unsuitable advice. Amounts recoverable under the Group's insurance policies in respect of these provisions are included within debtors (note 8).

Sale of investment.

Provision has been made for a claim made in connection with the sale of Bluefin Corporate Holdings Limited which is expected to be settled within the next year.

**Company**

The Company had no provisions.

**13. Called up share capital  
Group and Company**

|   | 2019<br>£'000 | 2018<br>£'000 |
|---|---------------|---------------|
| <b>Allotted and fully paid:</b>                           |               |               |
| 2,825,604 (2018: 2,825,604) ordinary shares of £0.01 each | 28            | 28            |
| <b>Total</b>  | <b>28</b>     | <b>28</b>     |

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

**14. Reserves**

Capital contribution reserve represents amounts received from parent undertakings.

Profit and loss reserve represents the cumulative profits and losses of the Company.

**SBJ Group Limited**Notes to the financial statements (continued)  
as at 31 December 2019**15. Notes to the cash flow statement**

|  | 2019<br>£'000  | 2018<br>£'000 |
|--|----------------|---------------|
| Operating profit   | 325            | 890           |
| Intangible amortisation and impairment                     | 8              | 13            |
| Decrease/(increase) in value of financial assets           | 276            | (96)          |
| (Increase)/decrease in debtors                             | (9)            | 3,026         |
| (Decrease)/increase in creditors                           | (1,978)        | 341           |
| (Decrease)/increase in provisions                          | (1,602)        | (745)         |
| <b>Net cash (outflow)/inflow from operating activities</b> | <b>(2,980)</b> | <b>3,429</b>  |
| Continuing activities                                      | (2,980)        | 3,341         |
| Discontinued activities                                    | -              | 88            |
|  | <b>(2,980)</b> | <b>3,429</b>  |

**16. Directors' emoluments**

The directors are employed and paid by companies in the AXA Group and their directorships are held as part of that employment. The emoluments of certain directors disclosed below are in respect of qualifying services to the AXA Group as a whole.

|  | 2019<br>£'000 | 2018<br>£'000 |
|--|---------------|---------------|
| Aggregate emoluments (excluding amounts receivable under long-term incentive schemes)  | 435           | 450           |
| Amounts receivable (excluding gains on exercise of share options and value of shares received) under long-term incentive schemes | 87            | 44            |
| Total pension  | 4             | 24            |
| <b>Highest paid director</b>   |               |               |
| Aggregate emoluments   | 249           | 286           |
| LTIP   | 87            | 44            |
| <b>Pension contributions</b>   |               |               |
| Number of Directors in a defined contributions pension scheme  | 1             | 1             |
| Number of Directors in a defined benefit pension scheme  | -             | -             |

**Retirement Benefits**

Retirement benefits are accruing to one director under a defined contribution pension scheme and to no directors under a defined benefit scheme.

**Directors' Interests in Transactions**

No contract in which a director was interested and which was material to the Group or its subsidiaries or to the other transacting party existed during the year.

**Loans to Directors and Connected Persons**

No loans or quasi-loans exceeding £10,000 to directors and connected persons were made or subsisted during the year.

**Share Options**

One director exercised share options or employee sharesave options during the year (2018: one).

**SBJ Group Limited**

Notes to the financial statements (continued)  
as at 31 December 2019

**17. Key management compensation**

Key management personnel are classified as employees and directors who have authority and responsibility for planning and controlling the Group's activities. Key management is defined as the key management of the Company and Thinc Holdings Limited.

The directors receive compensation by virtue of their employment with the AXA Group and this is paid by companies within the AXA Group. The total compensation to those employees classified as key management who have authority and responsibility for planning and controlling the activities of the Group, directly or indirectly, is as follows:

|                                      | 2019<br>£'000 | 2018<br>£'000 |
|--------------------------------------|---------------|---------------|
| Salary and other short-term benefits | 435           | 797           |
| Post employment benefits             | 4             | 24            |
| Other long-term benefits             | 86            | 83            |
| Aggregate termination benefits       | -             | -             |
| Share-base payments                  | -             | -             |
| <b>Total</b>                         | <b>525</b>    | <b>903</b>    |

**18. Related parties**

As the Company is a wholly-owned subsidiary of Thinc UK Group Limited it has taken advantage of the exemption granted under FRS 102 Section 33.1A to not disclose transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member. Related party transactions were made on an arm's length basis.

**19. Post balance sheet events**

During December 2019, a number of cases of pneumonia associated with the Coronavirus, now called COVID-19 by the World Health Organization ("WHO"), were reported in the People's Republic of China. In the early part of 2020 this virus subsequently spread to many other countries, and it is currently not possible to know or to predict the extent to which the current levels of reported cases reflect the actual transmission of the virus within populations, and accordingly the scale of the pandemic may be significantly larger than is presently recorded.

Authorities in many countries, including the UK, have taken stringent measures (including travel restrictions; home quarantine; lockdowns; and school closures) to contain the pace and scale of its spread. This has led to significant disruptions in the global travel and hospitality industries, and in global trade and supply chains more broadly; has resulted in decreased economic activity and lowered estimates for future economic growth; has created severe strains on local, national and supra-national medical and healthcare systems and institutions; and has caused global financial markets to experience significant volatility and the worst downturn since the 2008 crisis.

The Company and the companies in which it has a holding, are in the process of establishing and implementing plans to address how they will manage the effects of the outbreak and assess disruptions and other risks to its operations. These include the protection of employees, sustaining services to customers and other stakeholders and ensuring effective processes are in place to communicate and execute such plans.

The directors are closely monitoring the Company's exposures to the COVID-19 outbreak, including (i) the operational impact on its business, (ii) the consequences from a deterioration in macroeconomic conditions.



## **SBJ Group Limited**

**Notes to the financial statements (continued)**  
**as at 31 December 2019**

### **20. Immediate and ultimate parent**

The Company's immediate parent is Thinc UK Group Limited a company registered in England. Copies of the Thinc UK Group Limited financial statements can be obtained from 5 Old Broad Street, London EC2N 1AD.

The Company's ultimate parent and controlling company is AXA SA, a company incorporated in France. The parent undertaking of the smallest and largest group which includes the Company and for which group financial statements are prepared is AXA SA. Copies of the AXA group financial statements can be obtained from 25, avenue Matignon, 75008 Paris, France.

### **21. Contingent Liabilities**

#### **Group**

The Group is subject to claims and litigation from contractual warranties and indemnities and alleged errors and omissions. Although every effort is made to strenuously defend each claim, provision for potential liabilities including expenses are made where a reliable estimate can be drawn and the outflow is deemed more likely than not; this is disclosed in note 12. In addition, a contingent liability is inherent in respect of potential claims and litigation notified to the Group at the date of these financial statements; the timing and value of which cannot be reliably estimated nor the possibility of any recovery. As such, no provision for any further liability has been made.