



SANLAM WEALTH PLANNING UK LIMITED

**Annual Report and Financial Statements
for the year ended 31 December 2015**

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COMPANIES HOUSE

Sanlam Wealth Planning UK Limited

Directors

P R Bradshaw
J P Gibson
A J F Morley
J A A Samuels

Auditors

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Registered Office

St Bartholomew's House
Lewins Mead
Bristol
BS1 2NH

Registered Number

03879955

Sanlam Wealth Planning UK Limited

Strategic Report

The directors have pleasure in submitting their Strategic Report for the year ended 31 December 2015.

Principal activity, review of the business and future developments

The company is a wholly owned subsidiary of Sanlam Wealth Planning Holdings UK Limited and operates as its FCA regulated division.

The principal activity continues to be the provision of restricted financial planning advice. This will continue to be the principal activity for the foreseeable future.

Sanlam UK Limited remains committed to the group's strategy and continues to support the business in what remain competitive market conditions.

The company aims to continue with its growth plans next year whilst controlling costs in order to improve profitability. Growth plans focus on a combination of organic business development from existing advisor base and recruitment of additional advisers, supported by non-organic activity on an opportunistic basis.

Principal risks and uncertainties

The company's trading results are affected by consumer confidence, industry changes and economic conditions. These risks continue in the current market conditions and for the foreseeable future. The company is exposed to the operational risk that it fails to meet its contractual and regulatory obligations.

Results

The loss for the year, after taxation, amounted to £587,768 (2014: loss £148,407). This has been transferred to reserves. Turnover increased slightly during the year largely in relation to increased recurring revenue received in relation to retiring advisers' client databases purchased by the company's direct parent company, Sanlam Wealth Planning Holdings UK Limited. However, administrative expenses have increased significantly. This is largely due to the movement of all payroll costs to Sanlam Wealth Planning UK Limited from Sanlam Wealth Planning Holdings UK Limited as of 1 April 2014, as well as increased regulatory and consultancy costs incurred during 2015. The directors do not recommend a dividend this period (2014: £ nil).

By Order of the Board

J P Gibson
Director



26 April 2016

Sanlam Wealth Planning UK Limited

Directors' Report

The directors have pleasure in submitting their Directors' Report and audited Financial Statements for the year ended 31 December 2015.

Directors, directors' interests and directors' qualifying third party indemnity provisions

The directors throughout the year were:

P R Bradshaw
R Briesies (resigned 12 January 2016)
J P Gibson
A J F Morley
J A A Samuels
L van der Walt (resigned 20 January 2016)

None of the directors have any interests in the shares of the company.

In accordance with the requirements of section 234 of the Companies Act 2006, qualifying third party indemnity provisions are in force for the benefit of the directors of the company and its associated companies.

A review of the business including likely future developments is included within the Strategic Report.

Risk Management

As noted in the Strategic Report, the main risks are that the company's trading results are affected by consumer confidence, industry changes and economic conditions. The company is also exposed to the operational risk that it fails to meet its contractual and regulatory obligations. The company manages its risks through a process and control framework supplemented by proactive compliance and risk monitoring.

Going concern

The company's business activities, together with the factors likely to affect its future development, its financial position, risk management strategy and its key risk exposures are described in the Strategic Report and above. As a consequence, the directors believe that the company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. A letter of support has also been provided by Sanlam UK Limited highlighting that they will continue to support the business during the challenging market conditions. Accordingly, the directors continue to adopt the going concern basis in preparing the Annual Report and Financial Statements.

Sanlam Wealth Planning UK Limited

Directors' Report (continued)

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the company's auditor is unaware.

Having made enquiries of the other directors and the company's auditor, each director has taken all steps that a director might reasonably be expected to have taken to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Elective regime

Ernst & Young LLP were appointed auditors in 2014. In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Ernst & Young LLP will be put to the annual general meeting.

By Order of the Board



J P Gibson
Director

26 April 2016

Sanlam Wealth Planning UK Limited

Statement of Directors' responsibilities in respect of the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 'The Financial Reporting Standard applicable to the UK and Republic of Ireland. 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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 to 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.

Sanlam Wealth Planning UK Limited

Independent Auditor's report to the member of Sanlam Wealth Planning UK Limited

We have audited the financial statements of Sanlam Wealth Planning UK Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Sanlam Wealth Planning UK Limited Annual Report and Financial Statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Sanlam Wealth Planning UK Limited

**Independent Auditor's report to the member of Sanlam Wealth Planning UK Limited
(continued)**

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

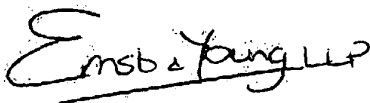
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Sarah Williams (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London

26 April 2016

Sanlam Wealth Planning UK Limited

**Profit and Loss Account
for the year ended 31 December**

	Notes	2015 £	2014 £
Turnover		7,991,609	7,860,097
Administrative expenses		(8,571,399)	(7,997,848)
Operating loss		(579,790)	(137,751)
Interest payable	5	(7,978)	(10,656)
Loss on ordinary activities before taxation	2	(587,768)	(148,407)
Tax on ordinary activities	6	-	-
Loss for the financial year after taxation		<u>(587,768)</u>	<u>(148,407)</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

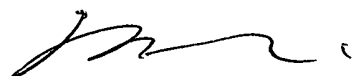
Sanlam Wealth Planning UK Limited

**Balance Sheet
as at 31 December**

Registered Company Number: 03879955

	Notes	2015 £	2014 £
Fixed assets			
Intangible assets	7	82,475	103,094
Tangible assets	8	82,903	10,382
		<u>165,378</u>	<u>113,476</u>
Current assets			
Debtors	9	4,484,163	3,547,642
Cash at bank		921,680	1,178,967
		<u>5,405,843</u>	<u>4,726,609</u>
Creditors: amounts falling due within one year	10	3,259,448	2,939,372
		<u>2,146,395</u>	<u>1,787,237</u>
Net current assets		<u>2,146,395</u>	<u>1,787,237</u>
Total assets less current liabilities		<u>2,311,773</u>	<u>1,900,713</u>
Creditors: amounts falling due after more than one year	11/12	932,367	200,000
Provisions for liabilities			
Deferred tax	13	-	-
Other provisions	14	211,592	212,764
		<u>211,592</u>	<u>212,764</u>
Net assets		<u>1,167,814</u>	<u>1,487,949</u>
Capital and reserves			
Called up share capital	15	2,750,010	2,750,010
Capital contribution reserve	16	267,633	-
Profit and loss	17	(1,849,829)	(1,262,061)
Shareholders' funds	18	<u>1,167,814</u>	<u>1,487,949</u>

Approved by the Board 26 April 2016
Jeremy Gibson
Director



Sanlam Wealth Planning UK Limited

**Statement of Changes in Equity
for the year ended 31 December 2015**

Registered Company Number: 03879955

	Share Capital £	Capital contribution reserve £	Profit and loss account £	Total £
Balance as at 31 December 2013	2,750,010	-	(1,113,654)	1,636,356
Loss for the year after tax	-	-	(148,407)	(148,407)
Balance as at 31 December 2014	2,750,010	-	(1,262,061)	1,487,949
Loss for the year after tax	-	-	(587,768)	(587,768)
Movement on capital contribution reserve	-	267,633	-	267,633
Balance as at 31 December 2015	2,750,010	267,633	(1,849,829)	1,167,814

Sanlam Wealth Planning UK Limited

Notes to the Financial Statements

1. Accounting policies

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards (FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*).

The previous UK GAAP regime finished as at 31 December 2014 and therefore these financial statements have been prepared under Financial Reporting Standard 102 (*FRS 102*). There were no material changes upon transition to FRS 102.

Notwithstanding a loss of £587,768 (2014: loss of £148,407), the directors have presented the financial statements on a going concern basis. It is in their opinion that Sanlam UK Limited will provide funding necessary to support the business going forward in order that the company meets its financial obligations. This opinion is based on the continued support from Sanlam UK Limited since the balance sheet date and a formal letter of support received covering twelve months from the date of approval of these financial statements. The directors are satisfied that Sanlam UK Limited has the ability to provide such support. As with any company placing reliance on group entities, the directors acknowledge that there can be no certainty that this support will continue, although at the date of the approval of these financial statements, they have no reason to believe that it will not do so.

Turnover

Turnover represents total income receivable by the company for services provided and is the amount derived from ordinary activities and is stated net of VAT and trade discounts. Income relating to new business (initial income) are recognised as income when the business is introduced.

Income earned on indemnity terms is included in the financial statements when it is considered due. A provision for clawbacks on income received on an indemnity basis is included within the financial statements.

Currency

The Company's functional currency and presentational currency is UK sterling (GBP).

Administrative expenses

Administrative expenses principally represent amounts in respect of staff resources and general overheads.

Sanlam Wealth Planning UK Limited

Notes to the Financial Statements (continued)

Tangible fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation has been provided so as to write off the cost of tangible fixed assets less estimated residual value, by equal installments over their estimated useful lives, at the following annual rates:

Leasehold improvements	20% on cost
Computer equipment	25% on cost
Fixtures, fittings and equipment	20% on cost

Deferred taxation

In accordance with FRS 102 Section 29 *Income Tax*, deferred tax is recognised on a full provision basis.

Deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leasing

Rentals on operating leases are charged to the Profit and Loss Account in the years in which they fall due.

Intangible assets

In accordance with FRS 102 Section 18 *Intangible assets other than Goodwill*, intangible assets are valued at cost and written off in equal annual instalments over their estimated economic life. When there is no reliable estimate for the life of the asset it is limited to 5 years. An annual impairment review is undertaken and any resulting adjustment to the intangible assets value is made as required.

Taxation

Corporation tax payable is provided on taxable profits at the prevailing corporation tax rate. No liability to UK corporation tax arose on ordinary activities for the period ended 31 December 2015.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the Profit and Loss Account.

Sanlam Wealth Planning UK Limited

Notes to the Financial Statements (continued)

Lapse provision

In the event of a clawback of indemnity income in respect of policies cancelled during the indemnity period the company has an obligation to settle the liability. The provision is calculated as 10% of net indemnity income and is re-evaluated at the end of each accounting period.

A provision for Non-Take Ups ("NTUs") is calculated as 15% of net initial income. This provision is re-evaluated at the end of each accounting period.

Complaints settlement provision

This provision covers direct and associated costs in respect of future complaints where the exact quantum and number of future complaints is unknown at the balance sheet date. The estimate is based upon past experience of upheld complaints and their average values. This estimate is corrected when the individual complaint values are separately clarified.

Cash flow statement

The company has taken advantage of the exemption given by FRS 102 Section 7 *Statement of Cash Flows*.

A cash flow statement is prepared by the ultimate parent undertaking that includes the cash flows of the company. Details of the ultimate parent undertaking are given in Note 20 to the Financial Statements.

2. Loss on ordinary activities before taxation

	2015 £	2014 £
The loss on ordinary activities before taxation is stated after charging:		
Depreciation of owned fixed assets (note 8)	27,546	14,074
Amortisation of intangible fixed assets (note 7)	20,619	10,711
Operating lease rentals - premises	87,000	87,000
Operating lease rentals - fixtures, fittings and equipment	14,645	12,015
Auditor's remuneration - Audit fees	17,152	10,950
Other Assurance Services	2,400	2,400

Sanlam Wealth Planning UK Limited

Notes to the Financial Statements (continued)

3. Directors' emoluments

	2015 £	2014 £
Directors emoluments	160,521	140,663
Highest paid director	106,000	82,500
Director emoluments	<u>160,521</u>	<u>140,663</u>

The majority of the directors are employed by, and receive their emoluments from, Sanlam UK Limited. The directors emoluments stated above include the emoluments for the directors who allocate a significant proportion of their services to the company. With regards to the remaining directors holding office during the year, their services to the company were considered to be incidental to their other duties within the Sanlam UK Group and accordingly no remuneration has been apportioned to the company for these directors.

4. Staff costs

The number of persons employed by the company during the year was:

	2015 No.	2014 No.
Administration staff	44	38
Advising staff	<u>45</u>	<u>56</u>

The aggregate payroll costs were:

	2015 £	2014 £
Wages and salaries	3,691,874	3,713,025
Social security costs	379,968	316,593
Other pension & benefit costs	174,907	78,951
	<u>4,246,749</u>	<u>4,108,569</u>

5. Interest payable

	2015 £	2014 £
Bank loans and overdrafts	<u>7,978</u>	<u>10,656</u>

Sanlam Wealth Planning UK Limited

Notes to the Financial Statements (continued)

6. Taxation

	2015 £	2014 £
Analysis of change in period		
Current tax:		
UK corporation tax on profits of the period	-	-
Tax on profit on ordinary activities	-	-

Factors affecting tax charge for period

The difference between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2015 £	2014 £
Loss on ordinary activities before tax	(587,768)	(148,407)
Standard rate of corporation tax in the UK	20%	20%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax	(117,554)	(29,681)
Tax losses unutilised	117,554	29,681
Total tax charge for period	-	-

7. Intangible assets

Future renewal streams

	2015 £
Cost	
At 1 January 2015	214,225
At 31 December 2015	214,225
Amortisation	
At 1 January 2015	111,131
Provided during the year	20,619
At 31 December 2015	131,750
Net book value	
At 31 December 2015	82,475
At 31 December 2014	103,094

Sanlam Wealth Planning UK Limited

Notes to the Financial Statements (continued)

The amortisation period has been changed to five years following a review by the directors of the useful economic life of the goodwill as a result of changes in the performance of the business.

8. Tangible assets

	Short leasehold land and building £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2015	53,858	188,460	242,318
Additions	5,757	94,309	100,066
At 31 December 2015	<u>59,615</u>	<u>282,769</u>	<u>342,384</u>
Depreciation			
At 1 January 2015	49,644	182,292	231,936
Charge for the year	2,940	24,606	27,546
At 31 December 2015	<u>52,584</u>	<u>206,898</u>	<u>259,482</u>
Net book value			
At 31 December 2015	<u>7,031</u>	<u>75,871</u>	<u>82,903</u>
At 31 December 2014	<u>4,214</u>	<u>6,168</u>	<u>10,382</u>

9. Debtors: amounts due within one year

	2015 £	2014 £
Trade debtors	324,809	426,210
Amounts owed by group undertakings	3,082,765	2,101,068
Prepayments and accrued income	795,465	603,992
Other debtors	281,124	416,372
	<u>4,484,163</u>	<u>3,547,642</u>

Sanlam Wealth Planning UK Limited

Notes to the Financial Statements (continued)

10. Creditors: amounts falling due within one year

	2015 £	2014 £
Trade creditors	401,785	474,293
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,198,693	1,810,987
Other taxes and social security costs	138,396	147,388
Accruals and deferred income	289,092	373,350
Other creditors	231,482	133,354
	<u>3,259,448</u>	<u>2,939,372</u>

There is a right of set off incorporated in all legal mortgages, life policies and mortgages debentures in respect of the bank loans and overdrafts.

There is an unlimited inter-company composite guarantee in relation to the bank borrowings of the group. At the 31 December 2015 the company did not have any bank lending.

11. Creditors: amounts falling due after one year

	2015 £	2014 £
Subordinated loan payable between 2 and 5 years	<u>932,367</u>	<u>200,000</u>

12. Loans

	2015 £	2014 £
Loans not wholly repayable within five years:		
Subordinated loans	<u>932,367</u>	<u>200,000</u>

The subordinated loan of £200,000 which existed at the end of 2014 no longer exists. It was converted into a capital contribution during 2015 and therefore forms part of the capital contribution reserve (note 16).

During 2015 two new subordinated loans (totalling £1,000,000) were issued which are repayable by 31 December 2017 and on which there is no interest. The amount included within loans above is the present value of the discounted cash flows of these loans. The difference between the original value of these loans and the present value is included within the capital contribution reserve (note 16).

Sanlam Wealth Planning UK Limited

Notes to the Financial Statements (continued)

Analysis of maturity of debt:

Loan not wholly repayable within five years	932,367	200,000
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13. Deferred Tax

	2015 £	2014 £
Accelerated capital allowances	-	-
	-	-
	2015 £	2014 £
At 1 January	-	5,278
Disposal	-	(5,278)
At 31 December	-	-

Deferred taxation relates to accelerated capital allowances and is undiscounted.

14. Provisions for liabilities

	Complaints settlement provision £	Lapse provision £	Total £
At 1 January 2015	176,171	36,593	212,764
Provisions made during the year	199,959	-	199,959
Amounts used	(195,489)	(5,642)	(201,131)
At 31 December 2015	180,641	30,951	211,592

A provision of £30,951 has been recognised for expected indemnity income claw back claims on indemnity products sold during the last four financial years. The provision is re-evaluated at the end of each accounting period.

The provision for complaints settlement has been recognised for potential claims that have been lodged as at the balance sheet date plus an additional provision for potential future claims.

Sanlam Wealth Planning UK Limited

Notes to the Financial Statements (continued)

15. Share capital

	2015 £	2014 £
Authorised:		
Ordinary shares at £1 each	<u>2,750,010</u>	<u>2,750,010</u>

	2015 No	2014 No	2015 £	2014 £
Allotted, issued and fully paid:				
Ordinary shares at £1 each	<u>2,750,010</u>	<u>2,750,010</u>	<u>2,750,010</u>	<u>2,750,010</u>

16. Capital contribution reserve

	2015 £
At 1 January	-
Movement during the year	267,633
At 31 December	<u><u>267,633</u></u>

17. Profit and loss account

	2015 £
At 1 January	(1,262,061)
Loss for the financial year	(587,768)
At 31 December	<u><u>(1,849,829)</u></u>

Sanlam Wealth Planning UK Limited

Notes to the Financial Statements (continued)

18. Reconciliation of movement in shareholders' funds

	2015 £
At 1 January	1,487,949
Loss for the financial year	(587,768)
Movement in capital contribution reserve	267,633
At 31 December	<u>1,167,814</u>

19. Other financial commitments

The total of future minimum lease payments is set out below:

	Land and buildings 2015 £	Land and Buildings 2014 £
Not later than one year	72,500	87,000
Within two to five years	-	72,500

The break clause for the above operating lease is November 2016 and the Company will be exercising this clause.

20. Related parties

The company has taken advantage of the exemption given by FRS 102 Section 33 *Related Party Disclosures* to wholly owned subsidiary undertakings, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties.

21. Controlling party

The ultimate parent undertaking, Sanlam Limited is incorporated in South Africa and is the parent of the largest group of undertakings for which group financial statements are drawn up and of which the company is a member.

Copies of its group financial statements are available on request from Sanlam Limited, 2 Strand Road, Bellville, South Africa (PO Box 1, Sanlamhof, 7532, South Africa). The immediate parent undertaking is Sanlam Wealth Planning Holdings UK Limited.

Sanlam Wealth Planning UK Limited

Notes to the Financial Statements (continued)

22. Capital commitments

The company had no commitments at 31 December 2015 and 31 December 2014.