Buckles Holdings Limited

Annual Report and Accounts

For The 8 Month Period Ended

31 December 2008

Company number 3882013

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Buckles

Contents

Directors and Advisers

Directors

L van der Walt	Non-Executive Chairman
N Speirs	Chief Executive Officer
P Bradshaw	Non-Executive Director
J A A Samuels	Non-Executive Director
S Geard	Non-Executive Director
C Dyer	Chief Financial Officer

Company secretary

C Dyer

Banker

Nat West Bank Plc

Bryn Eirias

Ffordd Abergele

Colwyn Bay LL29 8BY

Registered office

Derwen House

Ffordd Derwen,

Rhyl

Denbighshire LL18 2LS

Auditors

Harold Smith Partnership

Unit 32 Llys Edmund Prys

St. Asaph Business Park

St. Asaph

Denbighshire LL17 0JA

Chief Executive's Statement

Sanlam acquired a 60% shareholding in Buckles in April 2008. Following this acquisition, Buckles embarked on a period of growth and commenced an aggregation strategy, with the objective to build a sustainable, profitable, customer-centric retail financial services business in the UK.

Buckles Holdings changed its accounting year end to 31st December 2008 to match its ultimate holding company's year end; this period of account is therefore for 8 months only. Losses were forecasted for the period 1st May - 31st December 2008 as a consequence of the planned growth.

Trading performed against budget for the period May to August 2008. However the collapse of Lehmans in September 2008 impacted negatively on trading and Group Turnover fell by 24.7% on a like for like basis for the overall 8-month period.

The proportion of income that related to recurring income has risen again to 44.2% (30.4.08 35.5%).

Sentiment during the recession has been against a background of great uncertainty. Employed client's fear for their jobs. Retired client's fear for the value of their investments. Whilst there continues to be an acknowledgement by clients that planning is required the fear of 'now' paralyses behaviour. We do enjoy a loyal client base which have, in the main, remained invested during the market uncertainty. There has been an understandable reluctance to commit to new funds.

Much has been achieved in the 8 months under the strategic holding company of Sanlam UK. New client banks have been identified with the latest acquisition completing in August 2009. Graduate recruitment continued, albeit at a reduced capacity, 22 graduates against a target of 39 have been recruited and trained as advisers. The desire is to resume recruitment at the earliest possible moment as the economy recovers.

The number of advisers amounted to 40 as at 31 December 2008 with 25 graduates in the training programme at this time.

Chief Executive's Statement — Continued

Considerable work has been conducted in adapting and redefining the advice process. This is aimed at promoting a wider financial review for each client. Investment and development into technology is enabling this process to be fully mechanised. Clients will receive an enhanced service based around the financial planning model.

During the period under review we have substantially improved our internal regulatory practices; this has necessitated considerable investment in professional advice totalling £84,565. In particular we have improved and or reviewed our Conflicts of Interest, Adviser Remuneration, Treating Customers Fairly and Client Risk Profiling policies.

A strategic review of Snowdonia has been undertaken, resulting in new mandates. Management of three of the four funds has passed to Sanlam Fund Solutions. An Independent investment committee has been established to oversee the fund. This comprises of 6 members as required by our conflicts of Interest policy.

Funds under management in Snowdonia stood at £117m on 31 December 2008 compared to £162m on 1 April 2008. This reduction can be attributed to a reduced asset value rather than a redemption in units.

We have also reviewed the Retail Distribution Reports issued by the FSA and in general are still encouraged by their outcomes. As a company we are committed to all advisers achieving QVA level 4 by December 2012.

Savings have been made by slimming down operations in areas that weren't key to the growth plan.

The firm anticipates tough trading conditions for the next 12 months, until asset prices recover.

Nigel Speirs
Chief Executive Officer
28 September 2009

Chairman's Statement

The year under review has, without doubt, witnessed some of the most difficult trading conditions in living memory. These have had a significant, and at times, devastating impact on the financial positions of businesses and consumers in the UK, and the confidence of retail investors has been severely undermined. Buckles has not escaped unharmed - in fact, given its bias towards investment advice and its investment in training graduates and growing its business, it has felt the full impact of the credit crisis and recession. Consequently, although Buckles did anticipate incurring losses as it embarked on this period of growth, actual losses were above expectations.

Notwithstanding the economic conditions, the Board and Sanlam remain supportive of the Buckles Group and its long-term aims.

Our continued commitment to our unique graduate recruitment and training strategy continues to increase our overhead base, but during this period of planned growth we believe that it is a price worth paying. We are reassured by the progress made by our graduates and are very proud to have been awarded 'Newly Qualified IFA of the Year' for the second consecutive year. The development of graduates will continue - however, the scale of future recruitment will necessarily be guided by the pace of the economic recovery and the growth of our business.

The long-term plan to identify and acquire client banks remains at the core of our strategic plan and will do so into next year. Most commentary suggests that there are a growing number of IFAs seeking to retire or exit the industry, and we believe that Buckles represents a good home for their clients.

There are many achievements and strategic developments to report on but, as always, it is more appropriate for these to be enumerated by your Chief Executive in his report. For my part, however, it is apparent that Buckles has been proactive in responding to regulatory change, increasing professional standards and meeting the needs of its clients, and visionary in adapting its business in a fast-changing industry. The average age of our adviser personnel and the innovation achieved throughout the organisation are factors much admired by both competitors and product providers.

The entire team at Buckles deserves credit for the changes that have been made in a very difficult business environment, from being a founder-led business to a professionally structured company, without losing any of its entrepreneurial drive. All of our people have had to adapt to new reporting lines and new ways of doing things, and have responded well.

Lukas van der Walt
Chairman
28 September 2009

Report of the Directors

The directors present their report and the audited consolidated accounts of Buckles Holdings Ltd. and its subsidiaries for the 8 month period ended 31st December 2008.

Principal activities and review of business activities

The principal activities of the company and its subsidiary, Buckles Investment Services Limited, continue to be the provision of financial management and consultancy advice.

The chairman's and chief executive's statements on pages 4 - 7 contain commentary on the group's performance during the 8 month period and details of current activities and proposed developments.

Results and dividends

The full results for the period are set out in the consolidated profit and loss account on page 14.

The loss after taxation was £744,794 (Year ended 30 April 2008: £159,704). The directors do not recommend the payment of a final dividend for the period.

Equity dividends paid during the period amounted to nil (Year ended 30 April 2008: £112,378).

Charitable donations

During the period donations for charitable purposes amounted to £nil (Year ended 30 April 2008: £1480). There were no contributions for political purposes.

Directors and their Interests

In accordance with the company's articles of association, directors do not retire by rotation.

The company maintains insurance in respect of the directors and officers against any such liabilities as are referred to in section 236 of the Companies Act 2006.

The Board

The board currently comprises of the non-executive chairman, three non-executive directors and two executives. The Board regards all non-executive directors as independent.

Lukas van der Walt, non-executive chairman
Nigel Speirs, chief executive officer
J A Angus Samuels, non-executive director
Stuart Geard, non-executive director
Paul Bradshaw, non-executive director (appointed 3 July 2008)
Clare Dyer, chief financial officer (resigned 4 April 2008, appointed 20 November 2008)
David Owen, non-executive director (resigned 31 October 2008)

Clare Dyer, company secretary

The board met for three formal board meetings in the period.

The board is responsible for the leadership of the company and the group. It delegates day-to-day responsibility to the executive management. The balance of the board is such that no one individual or small group of individuals has unfettered powers of decision. The board is responsible for group strategy, setting and monitoring budgets, acquisition and investment policy and consideration of any other significant financial matters.

Relations with shareholders

The board encourages dialogue with all shareholders. The AGM is used to communicate with private shareholders who are encouraged to attend and to participate.

Shareholders can gain access to the annual accounts, and other information, via the company secretary.

Internal control

The directors are responsible for the group's system of internal control and for reviewing its effectiveness. Although no system can provide absolute assurance against material misstatement or loss, the group's system is designed to provide reasonable assurance regarding the safeguarding of assets against unauthorised use or disposition, the maintenance of proper accounting records and the reliability of financial information used within the business or for publication.

The directors have implemented an ongoing process for identifying, evaluating and managing the significant risks faced by the group. This process is regularly evaluated by the board in the forthcoming year.

The group has an established organisational structure with clear lines of responsibility, operating procedures and authority levels. A budget, approved by the board, is set annually and actual performance is monitored against the budget. Significant variances are examined and remedial action taken where necessary.

Going concern

The directors confirm that they have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis for preparing the financial statements.

Supplier payment policy
The company adheres to the payment terms that have been agreed with a supplier. Where terms have not been specifically agreed, it is the company's policy to settle invoices close to the end of the month of invoicing. Adherence to these terms is dependent upon suppliers sending accurate and adequately detailed invoices to the correct address on a timely basis.

The actual number of days taken to pay suppliers on average was 26 days (Year ended 30 April 2008: 27 days).

Auditors
In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Harold Smith will be put to the annual general meeting.

By Order of the Board

Clare Dyer
28 September 2009

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial period.

Under that law, the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accountancy Standards and applicable law).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and group and of the profit and loss of the company and group for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 proper accounting records which disclose with reasonable accuracy at any time the financial position of the group 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 group and for taking steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors
So far as each director at the date of approval of this report is aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware; and
- the directors have taken all steps that they ought to have taken as directors, in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Board on 28 September 2009

Independent Auditor's Report to the Shareholders of Buckles Holdings Limited

We have audited the financial statements of Buckles Holdings Limited on pages 14 to 31 for the period ended 31st December 2008 which comprises of the Group Profit and Loss Account, Balance Sheet, Cash Flow Statement , Statement of Recognised Gains and Losses and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements have been properly prepared in accordance with United Kingdom generally accepted accounting practice have been prepared in accordance with the Companies Act 2006, and give a true and fair view. We also report to you whether, in our opinion, the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept adequate accounting records or if we have not received all the information and explanations we require for our audit, or if certain disclosures of directors' remuneration specified by law are not made.

We read the chairman and chief executives' reports and the directors' report and consider the implications for our report if we became aware of any apparent misstatements within then. Our responsibilities do not extend to any other information.

Independent Auditors Report to the Shareholders of Buckles Holdings Limited

Basis of audit opinion
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

In our opinion:

- The financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;

- The financial statements have been properly prepared in accordance with the Companies Act 2006;

- The financial statements give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2008 and of the group's loss for the period then ended ; and

- The information given in the directors' report is consistent with the financial statements.

S Murray - Williams

Simon Murray Williams
Unit 32, Llys Edmund Prys
St Asaph Business Park
St Asaph
Denbighshire
LL17 OJA
28 September 2009

For and on behalf of the Harold Smith Partnership, Statutory Auditor

Consolidated Profit and Loss Account

	Notes	8 months ended 31 December 2008 £	12 months ended 30 April 2008 Restated £
Turnover		**2,731,876**	**5,442,566**
Cost of Sales		(1,377,515)	(2,553,168)
Gross profit		**1,354,361**	**2,889,398**
Administrative expenses		(1,884,221)	(2,801,737)
Group operating (loss) / profit before graduate training costs		**(529,860)**	**87,661**
Graduate training costs		(243,257)	(109,391)
Group operating loss		**(773,117)**	**(21,730)**
Loss on disposal of subsidiary		-	(48,129)
Interest payable	3	(14,488)	(84,729)
Interest receivable	3	28,811	-
Loss on ordinary activities before taxation	1	(758,794)	(154,588)
Taxation on loss on ordinary activities	5	14,000	(5,116)
Loss on ordinary activities after taxation	16	(744,794)	(159,704)

All activities are continuing.

Balance Sheet

	Notes	Group 31 December 2008	Group 30 April 2008 Restated	Company 31 December 2008	Company 30 April 2008
		£	£	£	£
Fixed assets					
Intangible assets	7	1,332,211	1,382,910	1,189,803	1,233,463
Tangible assets	8	84,148	77,991	15,231	23,879
Investments	9	1	1	834,000	224,000
		1,416,360	1,460,902	2,039,034	1,481,342
Current assets					
Debtors	10	669,022	816,343	204,699	239,458
Cash at bank		275,156	1,558,905	-	1,277,535
		944,178	2,375,248	204,699	1,516,993
Current liabilities					
Amounts falling due within one year	11	(1,014,344)	(1,592,525)	(563,815)	(912,292)
Net current assets /(liabilities)		(70,166)	782,723	(359,116)	604,701
Total assets less current liabilities		1,346,194	2,243,625	1,679,918	2,086,043
Long term creditors	12	(60,809)	(32,723)	(60,809)	(32,723)
Provisions for liabilities and charges	13	(40,115)	(220,838)		(179,561)
Net assets		1,245,270	1,990,064	1,619,109	1,873,759
Capital and reserves					
Called up share capital	14	152,535	152,535	152,535	152,535
Share premium account	15	1,796,849	1,796,849	1,796,839	1,796,839
Profit and loss account	15	(704,114)	40,680	(330,265)	(75,615)
Equity shareholders' funds	16	1,245,270	1,990,064	1,619,109	1,873,759

The financial statements on pages 14 to 31 were approved by the Board of Directors on 28 September 2009 and signed on their behalf by:

Clare Dyer Nigel Speirs

Consolidated Cash Flow Statement

	Notes	8 months ended 31 December 2008 £	12 months ended 30 April 2008 £
Cash flow from operating activities	22	(956,894)	215,803
Returns from investments and servicing of finance	23	14,323	(84,729)
Taxation	23	(5,919)	(156,991)
Capital expenditure and financial investment	23	(30,481)	(93,920)
Equity dividends paid	23	-	(112,378)
Net cash outflow before financing		(978,971)	(232,215)
Financing	23	(77,603)	1,478,828
(Decrease)/increase in cash	24	(1,056,574)	1,246,613

Statement of Total Recognised Gains and Losses

	Notes	8 months ended 31 December 2008 £	12 months ended 30 April 2008 £
Loss for the financial period		(744,794)	236,083
Prior year adjustment	1	(35,999)	
Total losses recognised since last annual report		(780,793)	

Principal Accounting Policies

The following accounting policies have been adopted in preparing the group's financial statements.

1. Basis of accounting
The financial statements have been prepared in accordance with the Companies Act 2006, as amended, and with applicable accounting standards under the historical cost convention.

These have been applied consistently with the exception of the policy on provision for lapses noted below.

2. Basis of consolidation
The consolidated accounts incorporate the accounts of the company and all group undertakings. Intra-group sales and profits are eliminated fully on consolidation.

As a consolidated Profit and Loss Account is published, a separate Profit and Loss Account of the parent company is omitted from the group accounts by virtue of the exemption granted by Section 408 of the Companies Act 2006.

3. Turnover
Turnover represents total commissions receivable by the group for services provided. Commission relating to new business (initial commission) is recognised as income when the business is introduced in accord with Application Note G Revenue Recognition, Amendment to FRS 5 and UITF 40.

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4. Lapse provision
In the event of a clawback of indemnity commission in respect of policies cancelled during the indemnity period the group has an obligation to settle the liability. The provision is calculated by reference to industry data resulting from past claims, referenced to present day sales of indemnity products.

5. 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 instalments over their estimated useful lives, at the following annual rates:

Short leasehold improvements	20% on Cost
Plant and machinery (including computers and software)	25% on Cost
Fixtures, fittings and equipment	20% on Cost

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

7. Intangible assets
As present obligations are paid, costs are capitalised in accordance with the provision of FRS12 and written off in equal annual instalments over its expected useful economic life of 20 years.

Businesses acquired have been dealt with in the consolidated accounts using acquisition accounting. Upon the acquisition of a business, fair values are attributed to the identifiable assets and liabilities acquired that reflect the condition at the date of acquisition and any required adjustments made to bring the accounting policies of the businesses acquired into alignment with those of the group.

Where the consideration paid exceeds the fair value of the net assets acquired, the difference is treated as goodwill.

In calculating intangible assets, the total consideration both actual and deferred is taken into account. Where the deferred consideration is contingent and dependent upon future trading performance an estimate of the value of the likely consideration payable is made. This contingent consideration is reassessed annually.

8. Taxation
Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the periods when the timing differences will reverse, and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with similar maturity dates.

Corporation tax payable is provided on taxable profits at the current rate.

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

10. Grants
Grants are recognised as other income in the year of receipt.

Notes to the Financial Statements

1 Change of accounting policy

During the current financial period the directors decided to change the basis of accounting for potential future lapses (claw back) in the sale of indemnity products. The directors now believe that it is insufficient to charge claw back commission as it occurs and instead it should be provided (using the industry standard provision to estimate the value of potential lapses at any point in time) at the time of the recognition of the income and released as the indemnity period ends or if the policy lapses. Comparative figures for the year ended 30 April 2008 have been restated to reflect this change in provisioning. The effects of restatement on the comparative balances were as follows:

Profit & Loss Account	**Original**	**Amendment**
	£	£
Cost of Sales	2,517,169	35,999
Decrease in profit for the financial year ended 30 April 2008		35,999

Balance Sheet	**Original**	**Amendment**
	£	£
Provision for liabilities and charges	184,839	35,999
Decrease in net assets at 30 April 2008.		35,999

		8 months ended 31 December 2008	12 months ended 30 April 2008
2	**Profit on ordinary activities before taxation**	£	£
	The profit on ordinary activities before taxation is stated after charging or (receiving):		
	Depreciation (note 8)	22,823	40,616
	Amortisation of goodwill (note 7)	52,200	75,281
	Impairment review of goodwill	-	48,129
	Operating lease rentals		
	Hire of plant and machinery	53,232	53,219
	Property	49,102	103,777
	Auditors' remuneration		
	Audit fees (company £10,000; 2008 £10,000)	17,800	19,000
	Other Services	-	-
	Pension costs (defined contribution)	98,296	144,883
	Reorganisation costs	136,678	-

3	**Interest receivable / (payable)**		
	On bank loans and overdrafts	(14,488)	(30,838)
	On other loans repayable within five years	-	(37,298)
		(14,488)	(68,136)
	Interest receivable	28,811	1
		14,323	(68,135)
	Finance costs on preference shares classified as liabilities	-	(16,594)
	Total interest receivable /(payable)	14,323	(84,729)

		8 months ended 31 December 2008	12 months ended 30 April 2008
		£	£
4	**Directors' emoluments**		
	Emoluments	267,273	433,385
	Employers' contribution to money purchase pension schemes	9,092	10,318
		276,365	443,703
	Highest paid director		
	Emoluments	108,600	135,076
	Employers contribution to money purchase pension schemes	6,467	3,912
		115,067	138,988

5	**Taxation based on profit for the period**		
	Corporation tax at 28%	-	0
	Adjustment in respect of previous years	(14,000)	6,747
	Deferred tax (note 13)	-	(1,631)
		(14,000)	5,116
	Reconciliation to the current year tax charge		
	Operating profit on ordinary activities before taxation	(758,794)	(118,589)
	Tax on above operating profit at 28% (2008 28%)	(212,462)	(35,577)
	Disallowable expenses and other permanent timing differences	(212,462)	35,577
	Deferred tax	-	-

The group has losses of £677,105 (2008: £nil) available for carry forward against future trading profits.

6	**Dividends on shares**		
	Equity shares interim paid	-	112,378

Notes to the Financial Statements — Continued

7 Intangible fixed assets - group

	Client databases £
Cost	
At 1 May 2008	1,565,012
Additions	1,501
At 31 December 2008	1,566,513
Amortisation	
At 1 May 2008	182,102
Provided during the period	52,200
At 31 December 2008	234,302
Net book amount	
At 31 December 2008	1,332,211
At 30 April 2008	1,382,910

Intangible fixed assets - company

	Client databases £
Cost	
At 1 May 2008	1,354,452
Additions	1,501
At 31 December 2008	1,355,953
Amortisation	
At 1 May 2008	120,989
Provided during the period	45,161
At 31 December 2008	166,150
Net book amount	
At 31 December 2008	1,189,803
At 30 April 2008	1,233,463

8 Tangible fixed assets - group

	Land & buildings short leasehold	Plant & fixtures, machinery	Total
	£	£	£
Cost			
At 1 May 2008	42,515	306,941	349,456
Additions	-	28,980	28,980
At 31 December 2008	42,515	335,921	378,436
Depreciation			
At 1 May 2008	12,580	258,885	271,465
Charged in period	5,669	17,154	22,823
At 31 December 2008	18,249	276,039	294,288
Net book value			
At 31 December 2008	24,266	59,882	84,148
At 30 April 2008	29,935	48,056	77,991

Tangible fixed assets - company

	Plant & fixtures, machinery
	£
Cost	
At 1 May 2008	224,176
Additions	-
At 31 December 2008	224,176
Depreciation	
At 1 May 2008	200,297
Charged in period	8,648
At 31 December 2008	208,945
Net book amount	
At 31 December 2008	15,231
At 30 April 2008	23,879

The leasehold property owned by the group is held on a short term lease with less than 50 years before the lease expires.

9 Fixed assets - investments in subsidiaries

	Company subsidiary undertaking £
At 1 May 2008	224,000
Additions in period	610,000
At 31 December 2008	834,000

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the Balance Sheet.

Subsidiary undertakings	Country of incorporation	Equity & votes held	Type of business
Buckles Investment Services Limited	England & Wales	100%	IFA
Buckles Limited	England & Wales	100%	Dormant
Snowdonia Asset Management Limited	England & Wales	100%	Dormant

Fixed assets - other investments	Other investment
At 1 May 2008	1
Additions in period	-
At 31 December 2008	1

10 Debtors - due within one year

	Group 31 December 2008 £	Group 30 April 2008 £	Company 31 December 2008 £	Company 30 April 2008 £
Trade debtors	429,204	609,557		
Other debtors	15,416	5,974		
Amounts owed by subsidiary		-	200,009	239,305
Prepayments & accrued income	224,402	200,812	4,690	153
	669,022	816,343	204,699	239,458

11 Creditors - amounts falling due within one year

	Group 31 December 2008 £	Group 30 April 2008 £	Company 31 December 2008 £	Company 30 April 2008 £
Bank loans and overdrafts	462,035	734,090	462,035	734,090
Trade creditors	250,854	390,468	20,297	(608)
Corporation tax	-	19,919	27,115	118,657
Other taxation and social security	176,425	255,688	38,875	10,516
Other creditors	85,996	120,872	3,758	33,750
Accruals	39,034	71,488	11,735	15,887
	1,014,344	1,592,525	563,815	912,292

There is a right of set off incorporated in all legal mortgages, life policies, and mortgage 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.

12 Creditors - amounts falling due after one year

	Group 31 December 2008 £	Group 30 April 2008 £	Company 31 December 2008 £	Company 30 April 2008 £
Other creditors	60,809	-	60,809	-
Bank loan	-	32,723	-	32,723
	60,809	32,723	60,809	32,723

13 Provision for liabilities and charges - group

	Deferred consideration £	Lapse provision £	Deferred taxation £	Total £
As 1 May 2008	179,561	35,999	5,278	220,838
Reclassification	(60,809)			(60,809)
Movement during the period	(118,752)	(1,162)	-	(180,723)
At 31 December 2008	-	34,837	5,278	40,115

Deferred consideration
The deferred consideration referred to the remaining potential liability relating to a purchase of a client database on 5th September 2006. This liability has now been quantified and reclassified as a long term liability.

Deferred taxation
The deferred taxation relates to accelerated capital allowances and is undiscounted.

14 Share capital

	8 months ended 31 December 2008 £	12 months ended 30 April 2008 £
Authorised 285,000 A ordinary shares of £1 each	285,000	199,991
9 B,C, etc ordinary shares of £1 each	-	9
85,000 20% redeemable cumulative preference shares	-	85,000
Issued and fully paid Shares classified in shareholders' funds At 1 May 2008 (152,535 A ordinary shares)	152,535	152,535

15 Group reserves

	Share premium account £	Profit & loss account £
At 1 May 2008	1,796,849	76,679
Prior year adjustment (note 1)		(35,999)
Loss after tax for the period	-	(744,794)
At 31 December 2008	1,796,849	(704,114)

Company reserves

	Share premium account £	Profit & loss account £
At 1 May 2008	1,796,839	(75,615)
Loss after tax for the period	-	(254,650)
At 31 December 2008	1,796,839	(330,265)

16 Reconciliation of movement on shareholders' funds

	8 months ended 31 December 2008 £	12 months ended 30 April 2008 £
Group		
Loss on ordinary activities after taxation	(744,794)	(123,705)
Prior year adjustment (note 1)	(35,999)	-
Dividends	-	(112,378)
	(780,793)	(236,083)
Issue of share capital	-	27,834
New share premium	-	1,584,876
Net (reduction)/addition to shareholders' funds	(780,793)	1,376,627
Shareholders' funds at 1 May 2008	2,026,063	649,436
Closing equity shareholders' funds at 31 December 2008	1,245,270	2,026,063

17 Guarantees and other financial commitments

At 31 December 2008 the group and company had annual commitments under non-cancellable operating leases as follows:

	Group		Company	
	Other	Land & buildings	Other	Land & buildings
	£	£	£	£
Expiry date:				
Under 1 year	33,518	-		
Between two and five years	27,218	73,437	-	-
Total	60,736	73,437	-	-

18 Capital commitments

Neither the group nor the company had any capital commitments at 31 December 2008 (30 April 2008: £nil)

19 Profit earned for ordinary shareholders

The Profit and Loss Account of the company is omitted from the group accounts by virtue of the exemption granted by Section 480 of the Companies Act 2006. The loss attributable for ordinary shareholders of the parent company and included in the accounts of the group amounted to £254,650 (30 April 2008 profit: £213,118).

20 Staff numbers and costs

The average monthly number of employees (including directors) during the period was:

	8 months ended 31 December 2008 No.	12 months ended 30 April 2008 No.
Management	3	5
Other employees	102	89
	105	94

Their aggregate payroll costs were as follows:	8 months ended 31 December 2008 £	12 months ended 30 April 2008 £
Wages & salaries	1,917,460	2,771,038
Pension costs	98,296	144,833
	2,015,756	2,915,871

21 Pension costs

	8 months ended 31 December 2008 £	12 months ended 30 April 2008 £
Defined contribution	98,296	144,833

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

22 Reconciliation of operating profit to net cash flow from operating activities

	8 months ended 31 December 2008 £	12 months ended 30 April 2008 £
Operating (loss)/profit	(773,117)	14,269
Depreciation charges	22,823	40,616
Decrease in debtors	146,159	332,195
Decrease in creditors	(404,959)	(246,558)
Amortisation of goodwill	52,200	75,281
Net cash (outflow)/inflow from operating activities	(956,894)	215,803

23 Gross cash flows

Returns on investments and servicing of finance		
Interest received	28,811	1
Interest paid	(14,488)	(68,136)
Preference dividends paid	-	(16,594)
	14,323	(84,729)
Taxation		
Corporation tax paid	(5,919)	(156,991)
Investing Activities		
Payments to acquire tangible fixed assets	(28,980)	(3,919)
Payments to acquire intangible fixed assets	(1,501)	(90,000)
Payments to acquire unlisted investments	-	(1)
	(30,481)	(93,920)

Financing		
Issue of ordinary shares	-	27,834
Increase in share premium	-	1,584,876
Redemption of preference shares	-	(85,000)
New bank loan	-	45,000
Repayment of bank loans	(77,603)	(93,882)
	(77,603)	1,478,828

24 Reconciliation of net cash flow to movement In net debt

	£
Decrease in cash in the period	(1,056,574)
Decrease in debt	77,603
Net debt at 1 May 2008	792,092
Net debt at 31 December 2008	(186,879)

25 Analysis of changes in net debt

	At 30 April 2008 £	Cash Flow £	At 31 December 2008 £
Cash at bank	1,558,905	(1,283,749)	275,156
Bank overdrafts	(611,216)	227,175	(384,041)
Bank loans	(155,597)	77,603	(77,994)
Net debt	792,092	(978,971)	(186,879)

26 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.

The immediate parent is Sanlam Netherlands Holding BV, which purchased 60% of the entire issued share capital on the 4th April 2008.

An electronic copy of the Sanlam Group's Annual Report and Accounts are available for viewing or download on the company's website at www.sanlam.co.za.

27 Related party transactions

The company has taken advantage of the exemptions in Financial Reporting Standard No. 8 in not disclosing the transactions with other 90% group companies.

The group received commission from Merchant Investors Assurance Company Limited (an associated company) totaling £73,023 (Year ended 30 April 2008: £nil).