



**SANLAM WEALTH PLANNING HOLDINGS
UK LIMITED**

Annual Report and Financial Statements
for the year ended 31 December 2016



Sanlam Wealth Planning Holdings UK Limited

Directors

J P Gibson
A J F Morley
J C Polin (appointed 8 April 2016)
J D White (appointed 21 December 2016)

Secretary

J P Gibson (appointed 31 March 2017)

Auditors

Ernst & Young LLP
25 Churchill Place
London
E14 5EY

Registered Office

St Bartholomew's House
Lewins Mead
Bristol
BS1 2NH

Registered Number

03882013

Sanlam Wealth Planning Holdings UK Limited

Strategic Report

The directors have pleasure in submitting their Strategic Report for the year ended 31 December 2016.

Principal activity, review of the business and future developments

The principal activity of the Company is that of a strategic holding company for its subsidiary, Sanlam Wealth Planning UK Limited, whose principal activity is the provision of restricted financial planning advice.

Incorporation

The Company was incorporated in Wales.

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 £1,757,241 (2015: loss of £1,433,754). The increased loss during the year is predominantly as a result of amortisation amounting to £2,930,481 (2015: £2,520,985). The higher amortisation in 2016 is a result of the acquisitions purchased towards the end of 2015. Sanlam UK Limited remains committed to the Company's strategy and continues to support the business in what remain competitive market conditions.

The directors do not recommend a dividend this period (2015: £ nil).

By Order of the Board



J P Gibson
Company Secretary
24/4/2017

Sanlam Wealth Planning Holdings UK Limited

Directors' Report

The directors have pleasure in submitting their Directors' Report and audited Financial Statements for the year ended 31 December 2016.

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

The directors throughout the year were:

P R Bradshaw (resigned 14 June 2016)
R Briesies (resigned 12 January 2016)
J P Gibson
A J F Morley
J A A Samuels (resigned 16 June 2016)
L van der Walt (resigned 20 January 2016)
A Tagliabue (appointed 9 May 2016, resigned 12 October 2016)
J D White (appointed 21 December 2016)
S P Haines (appointed 9 May 2016, resigned 31 March 2017)
J C Polin (appointed 8 April 2016)

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

S P Haines was appointed as Company Secretary on 1 July 2016, but resigned on 31 March 2017 and was replaced as Company Secretary by J P Gibson on that date.

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.

Sanlam Wealth Planning Holdings UK Limited

Directors' Report (continued)

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.

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

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
Company Secretary

24/4/2017

Sanlam Wealth Planning Holdings 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 Holdings UK Limited

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

We have audited the financial statements of Sanlam Wealth Planning Holdings UK Limited for the year ended 31 December 2016 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 14. 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 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 Holdings 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 Holdings UK Limited

Independent Auditor's report to the member of Sanlam Wealth Planning Holdings 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 2016 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, 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 the 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 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

24/4/2017

Sanlam Wealth Planning Holdings UK Limited

**Profit and Loss account
for the year ended 31 December 2016**

	Notes	2016 £	2015 £
Turnover		1,200,000	1,200,000
Administrative expenses		<u>(2,957,241)</u>	<u>(2,633,754)</u>
Loss on ordinary activities before taxation	2	(1,757,241)	(1,433,754)
Tax on ordinary activities	4	<u>-</u>	<u>-</u>
Loss for the financial year after taxation/Total comprehensive loss		<u>(1,757,241)</u>	<u>(1,433,754)</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.

The accompanying notes form an integral part of these financial statements.

Sanlam Wealth Planning Holdings UK Limited

Balance Sheet
as at 31 December 2016

Registered Company Number: 03882013

	Notes	2016 £	2015 £
Fixed assets			
Intangible assets	5	9,200,937	12,131,418
Tangible assets	6	8	46
Investments	7	2,983,827	3,017,643
		<u>12,184,772</u>	<u>15,149,107</u>
Long term debtors	8	-	932,367
Current assets			
Debtors	9	966,183	-
Total Current assets		<u>966,183</u>	<u>-</u>
Current liabilities			
Amounts falling due within one year	10	(13,003,070)	(14,176,348)
Net current liabilities		(12,036,887)	(14,176,348)
Total assets less current liabilities		147,885	1,905,126
Net assets		<u>147,885</u>	<u>1,905,126</u>
Capital and reserves			
Called up share capital	11	526,843	526,843
Share premium account		7,687,474	7,687,474
Profit and loss account		(8,066,432)	(6,309,191)
Equity shareholders' funds		<u>147,885</u>	<u>1,905,126</u>

Approved by the Board 24/4/ 2017


J P Gibson
Director

The accompanying notes form an integral part of these financial statements.

Sanlam Wealth Planning Holdings UK Limited

**Statement of Changes in Equity
for the year ended 31 December 2016**

Registered Company Number: 03882013

	Share capital	Share premium	Profit and loss account	Total shareholders' funds
	£	£	£	£
Balance at 31 December 2014	526,843	7,687,474	(4,875,437)	3,338,880
Loss for the year after taxation/Total comprehensive loss			(1,433,754)	(1,433,754)
Balance at 31 December 2015	526,843	7,687,474	(6,309,191)	1,905,126
Loss for the year after taxation/Total comprehensive loss	-	-	(1,757,241)	(1,757,241)
Balance at 31 December 2016	<u>526,843</u>	<u>7,687,474</u>	<u>(8,066,432)</u>	<u>147,885</u>

The accompanying notes form an integral part of these financial statements.

Sanlam Wealth Planning Holdings 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*).

Notwithstanding a loss of £1,757,241 (2015: loss of £1,433,754), 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 recharges receivable by the Company from its subsidiary (Sanlam Wealth Planning UK Limited) for the provision of administrative services.

Currency

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

Administrative expenses

Administrative expenses represent amounts in respect of non-executive director fees and general overheads as well as intangible asset amortisation.

Investments

Investments are recognised at the lower of cost and net realisable value.

Sanlam Wealth Planning Holdings 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 2016.

Sanlam Wealth Planning Holdings UK Limited

Notes to the Financial Statements (continued)

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 13 to the Financial Statements.

Consolidation

Consolidated financial statements are not presented as the Company has availed itself of the exemption provisions under s401 of the Companies Act 2006.

2. Loss on ordinary activities before taxation

	2016 £	2015 £
The loss on ordinary activities before taxation is stated after charging:		
Depreciation of owned fixed assets (Note 6)	38	244
Amortisation of intangible fixed assets (Note 5)	2,930,481	2,520,985
Auditor's remuneration - Audit fees	11,170	9,580

3. Directors' emoluments

	2016 £	2015 £
Directors emoluments	-	-
Non-Executive fees	11,124	74,160
	<u>11,124</u>	<u>74,160</u>
Highest paid director		
Non-Executive directors emoluments	<u>5,562</u>	<u>18,540</u>

The Executive Directors are employed by, and receive their emoluments from Sanlam UK Limited. The Executive Directors holding office during the year consider their services to the Company as incidental to their other duties within the Sanlam UK Group and accordingly no remuneration has been apportioned to the Company.

Sanlam Wealth Planning Holdings UK Limited

Notes to the Financial Statements (continued)

4. Taxation

	2016 £	2015 £
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:

	2016 £	2015 £
Loss on ordinary activities before tax	(1,757,241)	(1,433,754)
Standard rate of corporation tax in the UK	20% £	20% £
Loss on ordinary activities multiplied by the standard rate of corporation tax	(351,448)	(286,751)
Tax losses unutilised	351,448	286,751
Total tax charge for period	-	-

5. Intangible assets

Future renewal streams

	2016 £
Cost	
At 1 January 2016	16,749,469
At 31 December 2016	16,749,469
Amortisation	
At 1 January 2016	4,618,051
Provided during the year	2,930,481
At 31 December 2016	7,548,532
Net book value	
At 31 December 2016	9,200,937
At 31 December 2015	12,131,418

Sanlam Wealth Planning Holdings UK Limited

Notes to the Financial Statements (continued)

6. Tangible assets

Fixtures, fittings and equipment

2016
£

Cost

At 1 January 2016

227,377

At 31 December 2016

227,377

Depreciation

At 1 January 2016

227,331

Charged during the year

38

At 31 December 2016

227,369

Net book value

At 31 December 2016

8

At 31 December 2015

46

7. Investments

2016
£

At 1 January 2016

3,017,643

Change in valuation

(33,816)

At 31 December 2016

2,983,827

The change in valuation of £33,816 is the reversal of the 2016 amount between the value of the subordinated loan at cost and the present value of these loans. Further detail is provided in Note 8.

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
Sanlam Wealth Planning UK Limited	England & Wales	100%	Financial Planners
Buckles Limited	England & Wales	100%	Dormant
Snowdonia Asset Management Limited	England & Wales	100%	Dormant

All shares held are 'A' ordinary shares

Sanlam Wealth Planning Holdings UK Limited

Notes to the Financial Statements (continued)

8. Debtors: due after one year

	2016 £	2015 £
Amounts owed by subsidiary	-	932,367
	<u>-</u>	<u>932,367</u>

During 2015 two subordinated loans (totalling £1,000,000) were issued to its subsidiary Sanlam Wealth Planning Limited which are repayable by 31 December 2017 and on which there is no interest. These loans are now included in note 9 as they are repayable within a year. The amount included within loans above in 2015 is the present value of the discounted cash flows.

Analysis of maturity of loans:

Subordinated loan payable between 2 and 5 years	-	932,367
	<u>-</u>	<u>932,367</u>

9. Debtors: due within one year

	2016 £	2015 £
Amounts owed by subsidiary	966,183	-
	<u>966,183</u>	<u>-</u>

These are the subordinated loans as detailed in note 8. The amount in 2016 is the present value of the discounted cash flows. The movement in value during the year is included within the Investments value (note 7).

10. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	761,951	818,956
Accruals	3,956	4,576
Other creditors	2,268,427	2,268,432
Amounts owed to group companies	9,968,736	11,084,384
	<u>13,003,070</u>	<u>14,176,348</u>

There is an unlimited inter-company composite guarantee in relation to the bank borrowings of Sanlam Wealth Planning Holdings Limited and its subsidiary Sanlam Wealth Planning Limited. There is a fixed and floating debenture in favour of the National Westminster Bank PLC.

Sanlam Wealth Planning Holdings UK Limited

Notes to the Financial Statements (continued)

11. Share capital

			2016 £	2015 £
Authorised:				
Ordinary shares at £1 each			<u>1,000,000</u>	<u>1,000,000</u>
	2016 No	2015 No	2016 £	2015 £
Allotted, issued and fully paid:				
Ordinary shares at £1 each	<u>526,843</u>	<u>526,843</u>	<u>526,843</u>	<u>526,843</u>

12. 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.

13. Parent undertaking

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 UK Limited.

14. Capital commitments

The Company had no commitments at 31 December 2016 and 31 December 2015.