



**SANLAM WEALTH PLANNING HOLDINGS  
UK LIMITED**

**Annual Report and Financial Statements  
for the year ended 31 December 2019**



# Sanlam Wealth Planning Holdings UK Limited

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## **Sanlam Wealth Planning Holdings UK Limited**

### **Directors**

N J Fraser  
J C Polin  
J D White  
D J Mason

### **Auditors**

Ernst & Young LLP  
The Paragon  
Counterslip  
Bristol  
BS1 6BX

### **Registered Office**

Monument Place  
24 Monument Street  
London  
EC3R 8AJ

### **Registered Number**

03882013

## **Sanlam Wealth Planning Holdings UK Limited**

### **Strategic Report**

The directors have pleasure in submitting their Strategic Report for Sanlam Wealth Planning Holdings UK Limited (the "Company") for the year ended 31 December 2019.

#### **Principal activity, review of the business and future developments**

The principal activity of the Company is that of a strategic holding company for its subsidiaries (Sanlam Wealth Planning UK Limited, Buckles Limited, Snowdonia Asset Management Limited, Blackett Walker Limited and Avidus Scott Lang Group Limited) whose principal activities are the provision of restricted financial planning advice.

The Company acquired Blackett Walker Limited in April 2019. Blackett Walker Limited is an independent financial planning and employee benefits firm. Consideration for the acquisition was £8.5m. Refer to note 7 for more information.

In August 2019, the Company purchased 55% of the share capital of Avidus Scott Lang Group Limited, a financial planning company based in Sale. Consideration for the acquisition was £2.1m. Refer to note 7 for more information.

The directors do not expect any change in the principal activity of the Company in the foreseeable future.

#### **Incorporation**

The Company was incorporated in England and 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 its subsidiaries fail to meet contractual and regulatory obligations.

#### **Results**

The loss for the year after taxation amounted to £5,354,526 (2018: £2,705,250). The increased loss was due to increased amortisation costs relating to the new acquisitions.

As at 31 December 2019 the Company is reporting a net liability position of £10,853,380 (31 December 2018: £5,498,854).

The directors do not recommend a dividend this period (2018: £ nil).

## Sanlam Wealth Planning Holdings UK Limited

### Strategic Report

#### Covid-19

A coronavirus disease, Covid-19, began to spread globally in early 2020 and has been declared a pandemic by the World Health Organization. Its emergence and reactions to it have already had a profound effect on both the domestic and global economies and financial markets. The short-term and long-term impacts of the Covid-19 pandemic are by their nature uncertain and will be determined by many factors, including the effectiveness of government and other health measures to contain and prevent the spread of the virus and the effectiveness of economic stimulus, emergency relief, and other government programs implemented to mitigate the economic and financial impact of the Covid-19 pandemic.

The Company is continuously assessing and monitoring the impact that the Covid-19 pandemic may have on the ongoing performance of the Company's subsidiaries and assessing any requirement to impair its investments and intangible assets as a result of any deterioration of performance.

At this time, there remains considerable uncertainty as to how long the Covid-19 pandemic will last and as to the extent and duration of the economic, financial and other disruptions caused by the pandemic. Consequently, there remains uncertainty to precisely how the Covid-19 pandemic will impact the operational risks to which the Company's subsidiaries undertakings are exposed. These risks are subject to supervision and oversight by the Board.

The Company continues to monitor the impact of Covid-19 on the financial position of its subsidiary undertakings through the usual governance mechanisms, including the regular oversight of financial performance, capital cover and other strategic monitoring triggers. In the immediate future, we are working hard to continue to look after our customers financial needs during the Covid-19 pandemic and will continue to monitor government advice closely to ensure we look after the health and wellbeing of our employees and the communities within which we work.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J C Polin', with a stylized, flowing script.

J C Polin  
Director

10 December 2020

## **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 2019.

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

The names of the persons who were Directors during the year ended 31 December 2019 and to the date of this report are set out below:

J P Gibson (Resigned 2 October 2019)

A J F Morley (Resigned 8 March 2019)

J D White

J C Polin

D J Mason

N J Fraser (Appointed 5 May 2020)

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 its subsidiaries fail 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.

A letter of support has been provided by Sanlam UK Limited highlighting that they will continue to support the business for at least 12 months from the date on which the accounts are signed. The Directors have also considered the uncertainties associated with the Covid-19 pandemic (see Note 15) and are satisfied that the continued support of Sanlam UK Limited gives the Directors a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Board considers it has given due consideration to all the potential risks and possible actions available to it and has

## **Sanlam Wealth Planning Holdings UK Limited**

### **Directors' Report**

concluded that it remains appropriate to prepare these financial statements on a going concern basis.

### **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.

### **Auditor**

The auditor, Ernst & Young LLP, is the appointed independent auditor of the Company. Ernst & Young LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

J C Polin  
Director

10 December 2020

## **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**

#### **Opinion**

We have audited the financial statements of Sanlam Wealth Planning Holdings UK Limited for the year ended 31 December 2019 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 15, 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 company's affairs as at 31 December 2019 and of its loss 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 below. 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.

#### **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 were:

- 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 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.

## **Sanlam Wealth Planning Holdings UK Limited**

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

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the 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 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 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

## **Sanlam Wealth Planning Holdings UK Limited**

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

- 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.

#### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, 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 <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Sanlam Wealth Planning Holdings UK Limited**

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

**Use of our 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.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style with a horizontal line underneath the text.

Richard Page (Senior Statutory Auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Bristol

14 ~~December~~ 2020

**Sanlam Wealth Planning Holdings UK Limited**

**Profit and Loss Account  
for the year ended 31 December 2019**

	Notes	2019 £	2018 £
Other income		-	267,710
Other expenses		<u>(4,561,162)</u>	<u>(2,972,960)</u>
Operating loss	2	(4,561,162)	(2,705,250)
Interest payable		<u>(53,302)</u>	<u>-</u>
Loss on ordinary activities before taxation		(4,614,464)	(2,705,250)
Tax on ordinary activities	4	<u>(740,062)</u>	<u>-</u>
Loss for the financial year after taxation/Total comprehensive loss		<u>(5,354,526)</u>	<u>(2,705,250)</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 on pages 15 to 25 form an integral part of these financial statements.

**Sanlam Wealth Planning Holdings UK Limited**

**Balance Sheet  
for the year ended 31 December 2019**

	Notes	2019 £	2018 £
<b>Fixed assets</b>			
Goodwill	5	2,014,266	-
Intangible assets	6	6,838,415	5,948,600
Investments	7	6,248,059	3,017,643
		<u>15,100,740</u>	<u>8,966,243</u>
<b>Current assets</b>			
Debtors - due after one year	8	1,245,893	932,367
Debtors	9	192,767	219,590
Cash at bank		2,974	25,223
		<u>1,441,634</u>	<u>1,177,180</u>
<b>Current liabilities</b>			
Amounts falling due within one year	10	(24,246,968)	(15,642,277)
<b>Net Current Liabilities</b>		<u>(22,805,334)</u>	<u>(14,465,097)</u>
<b>Total assets less current liabilities</b>		<b>(7,704,594)</b>	<b>(5,498,854)</b>
Creditors: amounts falling due after more than one year	11	(2,408,724)	-
Deferred Tax	4	(740,062)	-
<b>Net liabilities</b>		<u>(10,853,380)</u>	<u>(5,498,854)</u>
<b>Capital and reserves</b>			
Called up share capital	12	526,843	526,843
Share premium account		7,687,474	7,687,474
Profit and loss account		(19,067,697)	(13,713,171)
<b>Equity shareholders' funds</b>		<u>(10,853,380)</u>	<u>(5,498,854)</u>

Approved by the Board on 10 December 2020

J C Polin  
Director

The accompanying notes on pages 15 to 25 form an integral part of these financial statements.

Registered company number: 03882013

**Sanlam Wealth Planning Holdings UK Limited**

**Statement and Changes in Equity  
for the year ended 31 December 2019**

	Share capital	Share premium	Profit and loss account	Total shareholders' funds
	£	£	£	£
Balance at 31 December 2017	526,843	7,687,474	(11,007,921)	(2,793,604)
Loss for the year after taxation	-	-	(2,705,250)	(2,705,250)
Balance at 31 December 2018	526,843	7,687,474	(13,713,171)	(5,498,854)
Loss for the year after taxation	-	-	(5,354,526)	(5,354,526)
Balance at 31 December 2019	526,843	7,687,474	(19,067,697)	(10,853,380)

The accompanying notes on pages 15 to 25 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).

##### **Basis of preparation of financial statements**

The financial statements are prepared on a going concern basis under the historical cost convention and in accordance with FRS 102 and applicable law.

A letter of support has been provided by Sanlam UK Limited highlighting that it will continue to support the business for at least 12 months from the date on which the accounts are signed. Directors have also considered the uncertainties associated with the Covid-19 pandemic (see Note 15) and are satisfied that the continued support of Sanlam UK Limited gives the Directors a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the Board considers it has given due consideration to all the potential risks and possible actions available to it and has concluded that it remains appropriate to prepare these financial statements on a going concern basis.

The functional and presentational currency is sterling reflecting the fact that substantially all revenue is received in GBP and the Company's place of business is the United Kingdom.

##### **Administrative expenses**

Administrative expenses represent amounts in respect of general overheads as well as intangible asset amortisation.

##### **Investments**

Investments are initially measured at cost, being the purchase price including any acquisition costs and subsequently measured at cost less any accumulated impairment losses. If payment of the purchase price is deferred beyond normal credit terms, the cost is the present value of future payments. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit and loss.

##### **Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.



## **Sanlam Wealth Planning Holdings UK Limited**

### **Notes to the Financial Statements**

#### **Corporation taxation and deferred taxation**

The tax expense may comprise current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised in equity.

The income tax charge is based on the taxable profit for the year. Taxable profit differs from net loss as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation. A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse. Deferred tax assets and liabilities are not discounted.

#### **Goodwill**

Goodwill represents the excess of the cost of acquisition of a business combination over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently amortised over the useful economic life in equal annual instalments. Where there is no reliable estimate of the useful economic life it is limited to 5 years. An annual impairment review is undertaken or whenever there is any indication that the goodwill may be impaired, and any resulting adjustment to the goodwill value is made as required.

#### **Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Intangible assets assessed as having finite lives are amortised over their useful economic life in equal annual instalments. When there is no reliable estimate for the life of the asset it is limited to 5 years. An annual impairment review is undertaken or whenever there is any indication that the intangible asset may be impaired, and any resulting adjustment to the intangible assets value is made as required. The amortisation expense on intangible assets is recognised within administrative expenses within the profit and loss account. Where there is a deferred or contingent element a liability is also recognised which is the best estimate of likely future consideration payable.

## Sanlam Wealth Planning Holdings UK Limited

### Notes to the Financial Statements

#### 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 14 to the Financial Statements.

#### Business Combinations

Acquisitions are accounted for using the acquisition method. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities assumed and the equity interests issued by the company. The consideration transferred also includes the fair value of any asset or liability arising from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities recognised and assumed in business combination are measured initially at the fair value at the acquisition date. Any contingent consideration to be transferred, whether in cash or as a convertible loan note, is recognised at fair value at the acquisition date.

#### 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. Operating loss

	2019 £	2018 £
The loss on ordinary activities before taxation is stated after charging:		
Amortisation of goodwill (Note 5)	337,249	-
Amortisation of intangible fixed assets (Note 6)	4,206,263	2,958,547
Auditor's remuneration - Audit fees	13,992	14,413

#### 3. Directors' emoluments

The company does not incur remuneration costs for directors employed elsewhere in the group. Disclosure of those remuneration costs can be found in the relevant employing group entities.

## Sanlam Wealth Planning Holdings UK Limited

### Notes to the Financial Statements

#### 4. Taxation

	2019 £	2018 £
<b>Analysis of charge in period</b>		
Deferred tax:		
Origination and reversal of timing differences	740,062	-
Total deferred tax	<u>740,062</u>	<u>-</u>
Tax on loss on ordinary activities	<u>740,062</u>	<u>-</u>

#### Deferred tax

The provision for deferred tax consists of the following deferred tax liabilities

	2019 £	2018 £
Opening balance	-	-
Intangible asset timing differences	740,062	-
Total deferred tax	<u>740,062</u>	<u>-</u>

The company has not recognised a deferred tax asset at the period end date in respect of £5,026 (2018: £5,026) of fixed asset timing differences and £16,747,090 (2018: £14,409,004) of losses as these items are expected to expire. The tax adjusted loss for the period was £2,338,086 (2018: 2,690,507).

#### Tax rate changes

The UK corporation tax rate decreased from 20% to 19% from 1 April 2017. Further changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016, reducing the UK corporation tax rate to 17% from 1 April 2020. Any deferred tax assets or liabilities recognised are reflective of these rates.

On 12 March 2020, the Chancellor announced that the planned reduction of the UK corporation tax rate to 17% would not proceed. Given that this change had not been enacted (or substantively enacted) at the period end date, it has not been reflected. The estimated impact of this change would be a £87,000 increase in the deferred tax liability recognised.

## Sanlam Wealth Planning Holdings UK Limited

### Notes to the Financial Statements

#### 4. Taxation (continued)

##### Reconciliation of tax charge

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

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(4,614,464)</u>	<u>(2,705,250)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax 19% (2018: 19%)	(876,748)	(513,998)
Effects of:		
Expenses not deductible for tax purposes	432,512	-
Unrecognised deferred tax	444,236	513,998
Business combination	<u>740,062</u>	<u>-</u>
Total tax charge for period	<u>740,062</u>	<u>-</u>

The tax charge for the year represents a deferred tax liability recognised on initial recognition of an intangible asset (Blackett Walker Ltd). It is anticipated that this liability will unwind as the asset is amortised at the Corporation Tax rate (April 2020 onwards) of 19% such that approximately £200k will unwind in 2020.

#### 5. Goodwill

	2019 £
At 1 January 2019	-
Additions	2,351,515
Amortisation	<u>(337,249)</u>
At 31 December 2019	<u>2,014,266</u>

The Goodwill arising relates to the Blackett Walker Limited acquisition. Refer to note 7.

## Sanlam Wealth Planning Holdings UK Limited

### Notes to the Financial Statements

#### 6. Intangible assets

Client Databases	2019 £
<b>Cost</b>	
At 1 January 2019	19,398,159
Additions	5,096,078
At 31 December 2019	<u>24,482,237</u>
<b>Amortisation</b>	
At 1 January 2019	13,449,559
Provided during the year	4,206,263
At 31 December 2019	<u>17,655,822</u>
<b>Net book value</b>	
At 31 December 2019	<u>6,838,415</u>
At 31 December 2018	<u>5,948,600</u>

The increase in intangibles relates to the Blackett Walker acquisition. Refer to note 7. This will generate benefits for Sanlam Wealth Planning UK Limited and is amortised over five years reflecting the estimated useful life of the database.

#### 7. Investments

	2019 £
Opening Cost and Net Book Value At 1 January 2019	3,017,623
Addition - Avidus Scott Lang Group Limited	2,142,118
Addition - Blackett Walker Limited	1,101,844
Change in valuation	<u>(13,526)</u>
Closing Cost and Net Book Value At 31 December 2019	<u>6,248,059</u>

The change in valuation of (£13,526) is the net difference between the value of the subordinated loans at cost and the present value of these loans. Further detail is provided in note 8.

In August 2019, the Company purchased 55% of the share capital of Avidus Scott Lang Group Limited, a financial planning company based in Sale. Consideration for the acquisition was £2.1m and comprised of £1.2m of cash due on completion and deferred consideration of £0.9m which is due to be paid in instalments over the next three years.

## Sanlam Wealth Planning Holdings UK Limited

### Notes to the Financial Statements

#### 7. Investments (continued)

The Company acquired Blackett Walker Limited in April 2019. Blackett Walker Limited is an independent financial planning and employee benefits firm, based in Newcastle. Consideration for the acquisition was £8.5m (including capitalised legal fees of £0.3m) and comprised of £4.5m of cash due on completion and deferred consideration of £3.5m which is due to be paid over the next two years and has been discounted at 3.5%. There is a final payment due on the third anniversary of the completion date. This is calculated as one and a half times the amount of new annual recurring income generated between the completion date and the third anniversary of the completion date. This has been discounted and is estimated based on future projections to be £0.3m and is payable in April 2022. The discount rate applied is 3.5%.

Subsequent to the purchase of Blackett Walker Limited an internal reorganisation was undertaken transferring the trading operations and employees to Sanlam Wealth Planning UK Limited (a fellow subsidiary of the Company). The client database of Blackett Walker was subsequently hived up and through hybrid accounting resulted in the recognition of an intangible asset of £5.1m and goodwill of £2.3m. As part of this transaction the investment in Blackett Walker Limited was reduced from £8.5m to £1.1m being the net assets in Blackett Walker Limited on the acquisition date.

Blackett Walker Limited is due to be liquidated within the next 12 months as part of a legal entity rationalisation programme. The directors are confident that the carrying value of the investment is supported by the underlying net assets of the subsidiary and expect a distribution and/or return of capital on liquidation.

In the opinion of the directors, the aggregate value of the Company's investment in subsidiary undertakings is not less than the underlying value of the business.

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
Blackett Walker Limited	England & Wales	100%	Dormant
Avidus Scott Lang & Co.Limited	England & Wales	55%	Financial Planners
Avidus Scott Lang Group Limited	England & Wales	55%	Financial Planners

## Sanlam Wealth Planning Holdings UK Limited

### Notes to the Financial Statements

All shares held are ordinary shares

The subsidiaries listed above are all direct investments, except for Avidus Scott Lang & Co.Limited and aside from Avidus Scott Lang Group Limited and Avidus Scott Lang & Co.Limited are all registered at Monument Place, 24 Monument Street, London, England, EC3R 8AJ.

Avidus Scott Lang Group Limited and Avidus Scott Lang & Co.Limited are registered at Stafford Court, 145 Washway Road, Sale, Cheshire, M33 7PE

#### 8. Debtors: due after one year

	2019 £	2018 £
Amounts owed by subsidiary	1,245,893	932,367

At the start of 2019 £1.0m (£0.9m on a discounted basis) of subordinated loans were in place which were repayable by 31 December 2021.

During 2019 a further subordinated loan has been issued for £0.3m which is repayable by 31 December 2021. The amount included above is the present value of the discounted cash flows of the total of these loans which have been discounted at 3.5%. The difference between the original value of these loans and the present value is included within investments (note 7).

The movement in this debtor is driven by the partial unwinding of the discount on the original £1.0m subordinated loan of £33k plus the additional loan of £0.3m which has been discounted by £20k to £0.27m. The net movement in the discount of the two loans has been disclosed within investments (note 7).

#### 9. Debtors: due within one year

	2019 £	2018 £
Amounts owed by subsidiary	192,767	175,000
Prepayments	-	44,590
	<u>192,767</u>	<u>219,590</u>

# Sanlam Wealth Planning Holdings UK Limited

## Notes to the Financial Statements

### 10. Creditors: amounts falling due within one year

	2019 £	2018 £
Accruals	18,198	8,414
Contingent / deferred consideration	2,797,834	1,388,567
Amounts owed to group companies	<u>21,430,936</u>	<u>14,245,296</u>
	<u>24,246,968</u>	<u>15,642,277</u>

### 11. Creditors: amounts falling due after one year

	2019 £	2018 £
Contingent / deferred considerations	2,408,724	-
	<u>2,408,724</u>	<u>-</u>

Contingent / deferred considerations include several deferred consideration payments in relation to Astute Wealth Management Limited, Blackett Walker Limited and Avidus Scott Lang Group Limited. The amount included comprises the present value of the discounted cash flows of these deferred payments which have been discounted at 3.5%.

### 12. Share capital

	2019 £	2018 £
Authorised: Ordinary shares at £1 each	<u>1,000,000</u>	<u>1,000,000</u>

  

	2019 No	2018 No	2019 £	2018 £
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>



## Sanlam Wealth Planning Holdings UK Limited

### Notes to the Financial Statements

#### 13. Related parties

The Company has related party balances with other entities in the Sanlam group in the normal course of business. These balances are all on normal commercial terms.

The following table provides the total net amount of balances outstanding with related parties for the relevant financial year.

Group company name	2019 £	2018 £
Sanlam UK Limited	(15,911,734)	(9,888,768)
Sanlam Investment Holdings UK Limited	(1,630,000)	(1,120,000)
Sanlam Wealth Planning UK Limited	(2,569,837)	(2,304,161)
English Mutual Limited	175,000	175,000
Blackett Walker Limited	(55,705)	-
	<u>(19,992,276)</u>	<u>(13,137,929)</u>

#### 14. Parent Company

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.

## **Sanlam Wealth Planning Holdings UK Limited**

### **Notes to the Financial Statements**

#### **15. Post balance sheet events**

During 2020 a re-capitalisation of a subsidiary, Sanlam Wealth Planning Limited, took place through a combination of set off of a loan of £1,300,000 and a cash contribution of £450,000. The total value of the recapitalisation was £1,750,000.

Subsequent to the Company's year end, the Coronavirus (Covid-19) pandemic has emerged with significant volatility in financial markets around the world and Government-imposed restrictions on movement. Despite the significant stimulus packages announced by governments around the globe it is likely that many developed economies will enter a period of downturn, the severity and length of which are unknown.

The extent of the future impact on the Company and its subsidiary undertakings cannot be estimated with certainty. As noted in the going concern basis of preparation outlined in Note 1, a letter of support has been provided by Sanlam UK Limited advising that it will continue to support the business for at least 12 months from the date on which the accounts are signed.

The Directors continue to monitor all aspects of the Covid-19 situation evaluating all developments and taking measures to protect the Company. The health and safety of the Company and its subsidiaries employees and customers remains a top priority. The Company will continue to follow Government advice as the situation develops.