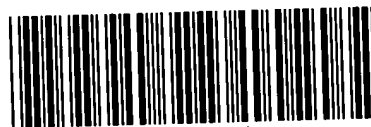




## **SANLAM WEALTH PLANNING HOLDINGS UK LIMITED**

Annual Report and Accounts  
for the year ended 31 December 2020

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# Sanlam Wealth Planning Holdings UK Limited

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# **Sanlam Wealth Planning Holdings UK Limited**

## **Directors and other information**

### **Board of Directors**

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

### **Statutory Auditors**

Ernst & Young LLP  
The Paragon  
Counterslip  
Bristol, BS1 6BX

### **Bankers**

NatWest  
135 Bishopsgate  
London  
EC2M 3UR

### **Registered office**

Monument Place  
24 Monument Street  
London  
EC3R 8AJ

### **Registered Number**

03882013

# **Sanlam Wealth Planning Holdings UK Limited**

## **Directors' Report**

The directors of Sanlam Wealth Planning Holdings UK Ltd (the 'Company') present their Annual Report, together with the financial statements and independent auditor's report for the year ended 31 December 2020.

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

The names of the persons who were Directors during the year ended 31 December 2020 and to the date of this report are set out below:

J C Polin

J D White

D J Mason

N J Fraser (Appointed 5 May 2020)

None of the Directors have any interest 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.

### **Going concern**

The Directors are responsible for making a formal assessment as to whether it is appropriate to adopt the going concern basis in preparing the financial statements. This assessment considers the Company's access to financial resources, sufficient for it to meet its obligations over the next 12 months. To do this, the Company must have sufficient assets, not only to meet the payments and commitments associated with its business, but also to withstand the impact of other events that might reasonably be expected to happen.

The Directors have examined the Company's business activities and those of its underlying subsidiary undertakings along with its financial position, capital structure, risk management approach and factors likely to affect its future performance. After making enquiries and obtaining a letter of support from Sanlam Investment Holdings UK Limited, the Directors are satisfied that the Company has adequate resources to continue in business for a period of 12 months from the date of approval of the financial statements.

The Directors have also considered specific Covid-19 stress scenarios at the overall UK Group level. Under these stress scenarios the Company's capital was projected to remain above requirements and sufficient liquidity exists to meet liabilities as they fall due.

# Sanlam Wealth Planning Holdings UK Limited

## Directors' Report (continued)

### Going concern (continued)

Accordingly, the Directors consider they have given due consideration to all the potential risks and possible actions available. The Directors concluded that it remains appropriate to prepare the financial statements on a going concern basis.

### Disclosure of information to the auditor

Each director who held office at the date of approval of this report confirms that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of the Companies Act 2006.

### Appointment of Auditor

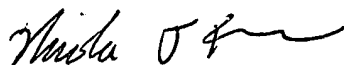
Following a tender process led by the South African Sanlam Group Audit Committee to appoint joint auditors for the Sanlam Limited group, the Board and the sole member of the Company are expected to approve the appointment of KPMG LLP ("KPMG") as the Company's next external auditor, replacing Ernst & Young LLP. The first reporting period subject to audit by KPMG will therefore be the year ending 31 December 2021.

### UK exit from the European Union (Brexit)

The UK left the European Union ('EU') on 31 January 2020. A transitional period, during which the UK is no longer a member of the EU but is still subject to EU rules and remains a member of the Customs Union, concluded on 31 December 2020. The UK's future trading relationship with the EU though materially agreed still remains subject to negotiation and further agreement.

Brexit is not expected to have a significant impact on the Company. However, developments in the trading relationship continue to be monitored. Whilst there are certain Brexit-related changes to Company Law, there are no new accounting and financial reporting requirements that relate specifically to the UK leaving the EU that impact on the Company.

By Order of the Board



N J Fraser  
Director  
03 June 2021

# **Sanlam Wealth Planning Holdings UK Limited**

## **Strategic Report**

### **Review of business**

The loss for the year after taxation amounted to £1,953,919 (2019: £5,354,526). The decreased loss in 2020 was due to decreased costs relating to the new acquisitions.

As at 31 December 2020 the Company is reporting a net liability position of £12,807,289 (2019: £10,853,370).

In the year the Company has started the winding down process of its subsidiary Blackett Walker Limited. A capital reduction within Blackett Walker Limited has resulted in dividend income of £1,665,788 (see note 3) being received by the Company on 28 October 2020 and a subsequent impairment of the Company's investment in Blackett Walker Limited of £1,096,744 (see note 8).

The directors do not recommend a dividend this period (2019: £nil).

### **Principal activity**

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

The Company was incorporated in England and Wales.

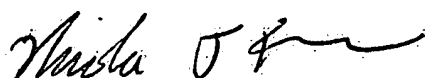
### **Principal risks and uncertainties**

The principal risk of the Company is the decline in value of its subsidiaries Sanlam Wealth Planning UK Limited, Blackett Walker Limited, Avidus Scott Lang & Co. Limited and Avidus Scott Lang Group Limited.

**COVID-19**

As well as the heavy human cost, Covid-19 presents a huge and ongoing challenge for many businesses. At this time, there still remains 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. The UK government, in England, has published the 'Covid-19 Response - Spring 2021' setting out the roadmap out of the current coronavirus restrictions. This is a step-by-step plan to ease restrictions cautiously. The Directors will continue to monitor the impact of Covid-19 on the Company through the usual governance mechanisms, including the regular oversight of financial performance, capital cover and other strategic monitoring triggers.

By order of the Board



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N J Fraser  
Director

03 June 2021

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

### **Statement of Directors' Responsibilities in respect of the Financial Statements**

The directors are responsible for preparing the annual 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 judgements and accounting estimates that are reasonable and prudent;
- State whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 members 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 2020 which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 16, 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 2020 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. 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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

### **Independent Auditor's report to the members 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 contained within the annual report.

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.

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 course of 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 themselves. 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
- 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.

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

**Responsibilities of directors**

As explained more fully in the statement of directors' responsibilities set out on page 6, 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.

***Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud***

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the direct laws and regulations related to elements of company law and tax legislation, and the financial reporting framework which is United Kingdom Accounting Standards including FRS 102 and the Companies Act 2006. We identified how the company is complying with those frameworks by taking into account oversight by those charged with governance i.e. considering the potential for override of controls or other inappropriate influence over the financial reporting process such as efforts by management to manage earnings alongside the culture of honesty and ethical behaviour.

*Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)*

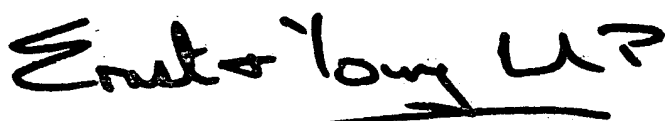
- We understood how the company is complying with those frameworks by making enquiries of management, those charged with governance and those responsible for legal and compliance matters. We also reviewed minutes of the Board of Directors, and gained an understanding of the company's approach to governance, demonstrated by the internal control processes.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by inquiries of management, those charged with governance and others within the company, as to whether they have any knowledge of any actual or suspected fraud, and considering any risks of fraud that have been identified by management or brought to the attention of management. We identified that management override of controls and processes was a risk of material fraud and designed audit procedures to address this risk, specifically around non-standard, manual top-side journals. We tested the appropriateness of the journal entries in the general ledger and did not identify any unusual or unsupportable journal entry postings.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries with management and as a result of our enquiries, management is not aware of any non-compliance with laws and regulations affecting the financial statements. We are not aware of any fines or penalties imposed by any regulatory bodies during the year.

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.

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**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.



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Richard Page (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor

4 June 2021

# Sanlam Wealth Planning Holdings UK Limited

## Profit and Loss account for the year ended 31 December 2020

	Note	2020 £	2019 £
Operating Expenses		(2,564,493)	(4,561,162)
<b>Operating loss</b>	<b>2</b>	<b>(2,564,493)</b>	<b>(4,561,162)</b>
Dividend Income	3	1,665,788	-
Interest payable		(65,055)	(53,302)
Impairment loss	8	(1,096,744)	-
<b>Loss on ordinary activities before taxation</b>		<b>(2,060,504)</b>	<b>(4,614,464)</b>
Tax on loss on ordinary activities	5	106,585	(740,062)
<b>Loss for the financial year after taxation</b>		<b>(1,953,919)</b>	<b>(5,354,526)</b>

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.

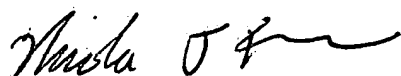
The accompanying notes on pages 14 to 25 form an integral part of these financial statements.

# Sanlam Wealth Planning Holdings UK Limited

## Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Goodwill	6	1,543,963	2,014,266
Intangible assets	7	4,979,356	6,838,415
Investment in subsidiaries	8	7,811,719	6,248,069
		<u>14,335,038</u>	<u>15,100,750</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due after one year	9	-	1,245,893
Debtors: amounts falling due within one year	10	13,249,650	192,767
Cash at bank		1,940	2,974
		<u>13,251,590</u>	<u>1,441,634</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	11	(39,368,483)	(24,246,968)
<b>NET CURRENT LIABILITIES</b>		<u>(26,116,893)</u>	<u>(22,805,334)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(11,781,855)</u>	<u>(7,704,584)</u>
Creditors: amounts falling due after more than one year	12	(391,958)	(2,408,724)
Deferred tax liabilities	13	(633,476)	(740,062)
<b>NET LIABILITIES</b>		<u><u>(12,807,289)</u></u>	<u><u>(10,853,370)</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	14	526,843	526,843
Share premium account		7,687,484	7,687,484
Profit and loss account		(21,021,616)	(19,067,697)
<b>SHAREHOLDERS' FUNDS</b>		<u><u>(12,807,289)</u></u>	<u><u>(10,853,370)</u></u>

Approved by the Board



N J Fraser  
Director

03 June 2021

The accompanying notes on pages 14 to 25 form an integral part of these financial statements.

Registered company number:  
03882013

# Sanlam Wealth Planning Holdings UK Limited

## Statement of changes in equity for the year ended 31 December 2020

	Share Capital	Share Premium	Retained Earnings	Total shareholders' funds
	£	£	£	£
<b>Balance as at 31 December 2018</b>	<b>526,843</b>	<b>7,687,484</b>	<b>(13,713,171)</b>	<b>(5,498,844)</b>
Loss for the year after taxation	-	-	(5,354,526)	(5,354,526)
<b>Balance as at 31 December 2019</b>	<b>526,843</b>	<b>7,687,484</b>	<b>(19,067,697)</b>	<b>(10,853,370)</b>
Loss for the year after taxation	-	-	(1,953,919)	(1,953,919)
<b>Balance as at 31 December 2020</b>	<b>526,843</b>	<b>7,687,484</b>	<b>(21,021,616)</b>	<b>(12,807,289)</b>

The accompanying notes on pages 14 to 25 form an integral part of these financial statements.

**Notes to the Financial Statements**

**1. Accounting Policies**

**Basis of preparation**

The Financial Statements have been prepared under the historical cost convention, in accordance with United Kingdom Generally Accepted Accounting Practice ("UK GAAP"), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The going concern basis of preparation is an area of judgement. Given the ongoing Covid-19 pandemic and the resulting economic conditions the level of uncertainty around this judgement remains higher in the current environment.

The Company has responded well to the impacts from Covid-19 on operations, customers, colleagues and communities. The Directors are closely monitoring short and medium-term Covid-19 related factors, including employee and supplier-related issues and identifying possible Management actions should that need arise.

In the remote scenario that Management actions do not complete and thereby Management is unable to deliver any mitigating actions the Company has the support and access to financial resources of its ultimate UK parent. This ready access to financial resources, is sufficient for the Company to meet its obligations for a period of 12 months from the date of approval of the financial statements.

In order to support this position the Sanlam UK Group has produced capital forecasts that have been sensitised to reflect plausible downside scenarios and management action that include among other factors the impact of the Covid-19 pandemic and its impact on the global economy, which have been reviewed by its Board. Although the strategic plan reflects the best estimate of the future prospects of the Group, the potential impact on the Group of a number of scenarios over and above those included in the plan have been developed by quantifying their financial impact and overlaying this on the detailed capital forecasts. These scenarios,

which are based on aspects of principal risks represent 'severe but plausible' circumstances. The results of this reverse stress testing showed that, due to the stability of the core business, the Group would be able to withstand the impact of these scenarios occurring over the period of the financial forecasts by making adjustments to its operating plans within the normal course of business.

- Having considered these matters and after making appropriate enquiries and obtaining a letter of support from Sanlam Investment Holdings UK Limited, the Directors are satisfied that the Company has adequate resources to continue to operate as a going concern for a period of 12 months from date of approval of the financial statements. For this reason, they consider it appropriate to continue to adopt the going concern basis in preparing the financial statements. The directors have also concluded that there are no material uncertainties to the Company's ability to adopt the going concern basis of accounting.



**1. Accounting Policies (continued)**

**Functional and presentational currency**

The Company's functional currency and presentational currency is the Sterling Pound (GBP).

**Consolidation**

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

**Cashflow 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.

**Administrative expenses**

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

**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.

**1. Accounting Policies (continued)**

**Debtors**

Short term and long 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.

**Taxation**

The charge for taxation is based on the profit or loss for the year and takes into account deferred taxation. 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 taxation computation. Deferred tax assets and liabilities are calculated at the tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, taxation, with the following exceptions:

- Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the Balance Sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the Balance Sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold.
- Deferred taxation assets are recognised only to the extent that the directors consider that it is 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 taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the Balance Sheet date.

**Notes to the Financial Statements (continued)**

**1. Accounting Policies (continued)**

**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.

**Investments in subsidiaries**

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.

**Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affected the reported amount of assets and liabilities as well as the disclosure of contingent assets and liabilities at the period end date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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**Critical accounting judgements**

The directors do not believe the Company has any critical accounting judgements in producing these financial statements. The directors consider the following to be the key sources of estimation uncertainty:

Notes to the Financial Statements (continued)

**Estimation uncertainty**

*Recoverable amount of goodwill and intangible assets*

Annually, the company considers whether goodwill and intangible assets are impaired. Where an indication of impairment is identified, an estimation of recoverable value of the goodwill and intangible assets is required. This requires estimation of the future revenue and cash flows and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

The recoverable amount of the goodwill and intangible assets balances is a source of significant estimation uncertainty and determining this involved the use of significant assumptions.

*Impairment of investment in subsidiaries*

Interests in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairments losses are recognised immediately in the Profit and Loss Account.

**2. Operating loss**

	2020	2019
	£	£
The loss on ordinary activities before taxation is stated after charging:		
Amortisation of goodwill (Note 6)	470,303	337,249
Amortisation of intangible fixed assets (Note 7)	1,970,219	4,206,263
Auditor's remuneration – Audit fees	19,188	13,992

**3. Dividend received**

	2020	2019
Dividend received from Blackett Walker Ltd	1,665,788	-

**4. 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.

Notes to the Financial Statements (continued)

5. Taxation

	2020	2019
	£	£
<b>Analysis of (credit) / charge in period</b>		
Deferred tax:		
Origination and reversal of timing differences	(193,651)	740,062
Impact of change in tax rate	87,066	-
Total deferred tax	<u>(106,585)</u>	<u>740,062</u>
Tax on loss on ordinary activities	<u>(106,585)</u>	<u>740,062</u>

**Deferred tax**

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

	2020	2019
	£	£
Intangible asset timing differences	(633,477)	(740,062)
Total deferred tax	<u>(633,477)</u>	<u>(740,062)</u>

The Company has not recognised a deferred tax asset at the period end date in respect of £5,026 (2019: £5,026) of fixed asset timing differences and £16,756,333 (2019: £16,747,090) of losses as these items are expected to expire. The tax adjusted loss for the period was £nil (2019: £2,347,329, as adjusted at submission stage from £2,338,086).

**Tax rate changes**

The UK corporation tax rate decreased from 20% to 19% from 1 April 2017. The Finance Bill 2016 reduced the rate of corporation tax to 17% from 1 April 2020 and having been substantively enacted was the rate of tax used to recognise deferred tax for the year ending 31 December 2019. On 12 March 2020, the Chancellor announced that the planned reduction in corporation tax to 17% would not proceed and this was subsequently substantively enacted maintaining the rate of corporation tax at 19%.

On 3 March 2021, the Chancellor announced that the main rate of UK corporation tax would rise to 25% from 1 April 2023. Given that this change had not been enacted (or substantively enacted) at the year end date, it has not been reflected. The future impact of this change is anticipated to be £77,000.

**Sanlam Wealth Planning Holdings UK Limited**  
**Notes to the Financial Statements (continued)**

**5. Taxation (continued)**

**Reconciliation of tax (credit) / charge**

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loss on ordinary activities before tax	<u>(2,060,504)</u>	<u>(4,614,464)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax 19% (2019: 19%)	(391,496)	(876,748)
Effects of:		
Expenses not deductible for tax purposes	514,345	430,756
Income not subject to tax	(316,500)	-
Unrecognised deferred tax	-	445,992
Business combination	-	740,062
Remeasurement of deferred tax for change in tax rate	<u>87,066</u>	-
Total tax (credit)/charge for period	<u><u>(106,585)</u></u>	<u><u>740,062</u></u>

The tax credit for the year represents the unwinding of the deferred tax liability provided on initial recognition of an intangible asset. It is anticipated that this liability will unwind as the asset is amortised at the applicable corporation tax rate. Based on the rate substantively enacted at the balance sheet date approximately £200,000 will unwind in 2021.

**6. Goodwill**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
At 1 January	2,014,266	-
Additions	-	2,351,515
Amortisation	<u>(470,303)</u>	<u>(337,249)</u>
At 31 December	<u><u>1,543,963</u></u>	<u><u>2,014,266</u></u>

**Sanlam Wealth Planning Holdings UK Limited**  
**Notes to the Financial Statements (continued)**

**7. Intangible assets**

	<b>Client databases</b>
<b>Cost</b>	<b>£</b>
At 1 January 2020	24,470,237
Additions	111,160
Write offs	(13,239,501)
At 31 December 2020	<u>11,341,896</u>
<b>Amortisation</b>	
At 1 January 2020	17,631,823
Provided during the year	1,970,219
Write offs	(13,239,501)
At 31 December 2020	<u>6,362,541</u>
<b>Net Book Value</b>	
At 31 December 2020	<u><u>4,979,356</u></u>
At 31 December 2019	<u><u>6,838,415</u></u>

**8. Investments**

<b>Cost</b>	<b>£</b>
At 1 January 2020	6,248,069
Additions	2,750,000
Other adjustments	(89,606)
At 31 December 2020	<u>8,908,463</u>
<b>Impairment</b>	
At 1 January 2020	
Provided during the year	1,096,744
At 31 December 2020	<u>1,096,744</u>
<b>Net Book Value</b>	
At 31 December 2020	<u><u>7,811,719</u></u>
At 31 December 2019	<u><u>6,248,069</u></u>

Other adjustments comprise of an amount of £54,106 (2019: £13,526) pertaining to the net difference between the value of the subordinated loans at cost and the present value of these loans.

Also included in other adjustments is an amount of £35,500 (2019: £nil) pertaining to the present value of deferred consideration payable in relation to the Avidus Scott Lang Group Ltd and Blackett Walker Ltd acquisitions.

**Notes to the Financial Statements continued**

**8. Investments (continued)**

On 17 December 2020, the Company acquired 10,000,000 shares at a par value of £0.10 for £1,000,000 in Sanlam Wealth Planning UK Limited. This capital injection was funded by additional capital being injected into the Company by its immediate parent company.

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 two years.

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 year 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 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.

In 2020 there was additional capital invested into Sanlam Wealth Planning UK Limited of £1,750,000 to settle the BW Consideration Payment due in April 2020. This was funded by an Intercompany loan from Sanlam UK Limited.

In 2020, the process to wind down Blackett Walker Limited started. This process has resulted in a capital reduction within Blackett Walker Limited to £5,100. As part of this process, the Company has impaired its shareholding within Blackett Walker Limited with an impairment charge of £1,096,744 (see note 8) being recognised.

As part of the capital reduction, Blackett Walker declared dividends of £1,665,788 (see note 3) on 28 October 2020 which was used to reduce the liability owed by the Company to Blackett Walker Limited.



# Sanlam Wealth Planning Holdings UK Limited

## Notes to the Financial Statements continued

### 8. Investments (continued)

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.

The subsidiaries undertakings of the Company are listed below:

<b>Subsidiary undertakings</b>	<b>Principal Activity</b>	<b>Country of incorporation</b>	<b>Class of shares held</b>	<b>Percentage of shares</b>
Sanlam Wealth Planning UK Limited	Financial Planning	England & Wales	Ordinary	100%
Buckles Limited	Dormant	England & Wales	Ordinary	100%
Blackett Walker Limited	Dormant	England & Wales	Ordinary	100%
Snowdonia Asset Management Limited	Dormant	England & Wales	Ordinary	100%
Avidus Scott Lang & Co. Limited	Financial Planning	England & Wales	Ordinary	55%
Avidus Scott Lang Group Limited	Financial Planning	England & Wales	Ordinary	55%

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.

**Sanlam Wealth Planning Holdings UK Limited**  
**Notes to the Financial Statements (continued)**

**9. Debtors: amounts falling due after one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amounts owed by subsidiaries	-	1,245,893

In the year the subordinated loans were replaced by an intercompany loan from Sanlam UK Ltd. The Intercompany loans are interest free and repayable at 31 December 2021.

**10. Debtors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Amounts owed by subsidiaries	12,264,915	192,767
Amounts owed by parent	984,735	-
	<u>13,249,650</u>	<u>192,767</u>

In the year the subordinated loans were replaced by an intercompany loan from Sanlam UK Ltd. The Intercompany loans are interest free and repayable at 31 December 2021.

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

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Accruals	18,299	18,198
Deferred consideration	2,078,293	2,797,834
Amounts owed to group companies	37,271,891	21,430,936
	<u>39,368,483</u>	<u>24,246,968</u>

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% over a certain number of years as disclosed in note 8. The Intercompany loans are interest free and repayable at 31 December 2021.

**12. Creditors: amounts falling due after one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deferred consideration	391,958	2,408,724

**13. Deferred tax liabilities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
At 1 January	740,062	-
(Credit) / Charge to profit and loss account	(106,585)	740,062
At 31 December	<u>633,477</u>	<u>740,062</u>

**Sanlam Wealth Planning Holdings UK Limited**  
**Notes to the Financial Statements (continued)**

**14. Called up share capital**

		<b>2020</b>	<b>2019</b>
		<b>£</b>	<b>£</b>
Authorised:			
Ordinary shares at £1 each		1,000,000	1,000,000
	<b>2020</b>	<b>2019</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>	<b>£</b>
Allotted, issued and fully paid:			
Ordinary shares at £1 each	526,843	526,843	526,843

**15. Related parties**

The Company has related party balances with other entities in the Sanlam group in the normal course of business.

The following information is showing the year end receivable balances for all related parties:

	<b>2020</b>	<b>2019</b>
<b>Company name</b>	<b>£</b>	<b>£</b>
Sanlam UK Limited	12,929,223	-
Sanlam Wealth Planning UK Limited	320,427	-
Sanlam Wealth Planning UK Limited - Loan	-	1,245,893
English Mutual Limited	-	175,000
Blackett Walker Limited	-	17,767
	<u>13,249,650</u>	<u>1,438,660</u>

The following information is showing the year end payable balances for all related parties:

	<b>2020</b>	<b>2019</b>
<b>Company name</b>	<b>£</b>	<b>£</b>
Sanlam UK Limited	-	6,191,431
Sanlam UK Limited - Loan	35,636,792	9,720,303
Sanlam Investment Holdings UK Limited	1,630,000	1,630,000
Sanlam Wealth Planning UK Limited	-	3,797,979
Blackett Walker Limited	5,099	91,223
	<u>37,271,891</u>	<u>21,430,936</u>

**16. Parent Company**

The Company's immediate parent company is Sanlam Investment Holdings UK Limited which is incorporated and registered in the United Kingdom. The Company's ultimate parent company is Sanlam Limited which is incorporated and registered in South Africa and is the parent of the only group of undertakings for which group financial statements are drawn up and of which the Company is a member.

Copies of the Group financial statements are available on request from Sanlam Limited, 2 Strand Road, Bellville, South Africa (PO Box 1, Sanlam of, 7532, South Africa). Group financial statements may also be viewed on the ultimate parent company's website: [www.Sanlam.co.za](http://www.Sanlam.co.za).