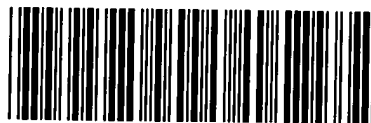




## **SANLAM WEALTH PLANNING HOLDINGS UK LIMITED**

Annual Report and Accounts  
for the year ended 31 December 2021

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# **Sanlam Wealth Planning Holdings UK Limited**

## **Contents**

	<b>Page(s)</b>
Company Information	1
Directors' Report	2 - 4
Strategic Report	5
Statement of Directors' Responsibilities	6
Independent Auditor's report to the members of Sanlam Wealth Planning Holdings UK Limited	7 - 11
Profit and Loss Account and Other Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	14
Notes to the Financial Statements	15 - 27

# **Sanlam Wealth Planning Holdings UK Limited**

## **Directors and other information**

### **Board of Directors**

J C Polin  
D J Mason  
N J Fraser

### **Statutory Auditor**

KMPG LLP  
1 St Peter's Square  
Manchester  
M2 3AE

### **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 2021.

### **Principal activity**

The Company's principal activity is that of a strategic holding company for its subsidiaries (Sanlam Wealth Planning UK Limited and Avidus Scott Lang Group Limited) whose principal activities are the provision of restricted financial planning advice. The Company coordinates the activities of the UK business within an approved governance framework. The Company is incorporated in England and Wales.

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.

### **Directors**

The current directors of the Company, who have served throughout the year are as follows:

J C Polin

J D White (Resigned 27 July 2021)

D J Mason

N J Fraser

None of the Directors have any interest in the shares of the company.

### **Indemnification of directors**

In accordance with the requirements of section 234 of the Companies Act 2006, qualifying third party indemnity provisions were in force throughout the year for the benefit of the directors of Sanlam UK Limited and its associated companies. Such qualifying third party indemnity provisions

### **Appointment of Auditor**

KPMG LLP ("KPMG") is the appointed independent auditor of the Company. KPMG have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

### **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.

# **Sanlam Wealth Planning Holdings UK Limited**

## **Directors' Report (continued)**

### **COVID-19**

In February 2022 the Government issued its plan for living with Covid-19 that removed remaining legal restrictions whilst seeking to protect the most vulnerable in the UK population. It acknowledges that there is still uncertainty about the path the pandemic will take, but underpinned by a highly successful Vaccine programme the Government is now seeking to open up the economy more quickly and return to the normal ways of living and working that were enjoyed before the pandemic. The Directors welcome this but acknowledge that risks around Covid-19 still remain and will continue to monitor developments through its usual governance mechanisms to ensure any actions are taken as required on a timely basis.

### **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 Company has continued to rise to the operational and market challenges presented by Covid-19 throughout 2021. The Company has responded well to the impacts from Covid-19 on operations, customers, colleagues and communities. The Directors continue to monitor short and medium-term Covid-19 related factors, including employee and supplier-related issues.

The Directors have considered the information relevant to the going concern basis under the most likely scenario of the imminent sale of the Company to Oaktree. This consideration acknowledges Oaktree's plans for the business that have been shared with the FCA as part of the change in control process. The Directors have also considered the scenario of continued Sanlam ownership.

The Directors have examined the Company's business activities, along with its financial position, financial forecasts, capital structure, risk management approach and factors likely to affect its future performance. The Directors are satisfied that the Company has a viable business proposition and robust strategic plan which is expected to continue and produce adequate resources to continue in business for a period of 12 months from the date of approval of the financial statements.

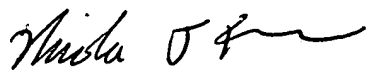
# Sanlam Wealth Planning Holdings UK Limited

## 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.

By order of the Board



N J Fraser  
Director

26 April 2022

# Sanlam Wealth Planning Holdings UK Limited

## Strategic Report

### Review of business

The profit for the year before tax for the year amounted to £24,136,960 (2020: loss of £1,953,919). The Company has reported a profit for the year predominantly as a result of the waiver of loans owed to Sanlam UK Limited, in preparation for the sale of the business to Oaktree.

The Company reports a net asset position of £11,558,115 (2020: net liability of £12,807,289) within the financial statements.

On 20 September 2021 Sanlam UK Limited entered into an option agreement to sell its UK wealth division (including the Company) to funds managed by Oaktree Capital Management, L.P. ("Oaktree"), for a total consideration of £140 million. The transaction has obtained regulatory approval and is expected to close on 30 April 2022. As an experienced investor in UK wealth, Oaktree will support the Company's growth plans enabling the creation of an independent and agile wealth management business. Following the transaction, the business will continue to operate under the Sanlam Wealth brand through a transition period whilst a new brand identity is developed. In preparation for the sale of the UK wealth business a group re-organisation commenced resulting in the transfer of trade and assets of English Mutual Limited to Sanlam Wealth Planning UK Limited, both subsidiaries of the Company.

No ordinary dividends were paid during 2021 (2020: £nil). The directors do not recommend a dividend this period (2020: £nil).

### Principal risks and uncertainties

The Company's Audit and Risk Committee convenes at the level of its parent company, Sanlam Investment Holdings UK Limited. The Committee meets quarterly and reviews the Group's as well as the Company's significant risks. The principal risks and uncertainties facing the Company, as a standalone entity rather than on a consolidated group basis, relate to the trading position of its subsidiaries and hence their carrying value in the Company's balance sheet.

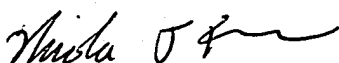
### Political and charitable donations

The Company made no political or charitable donations during the year (2020: £nil).

### Future Developments

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

By order of the Board



N J Fraser  
Director  
26 April 2022

## **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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in 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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect 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 ("the company") for the year ended 31 December 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

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

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

#### **Going concern (continued)**

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

#### **Fraud and breaches of laws and regulations – ability to detect**

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors, the audit and risk committee, internal audit and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Consider
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account possible pressures to meet profit targets and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as provision for disputes. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

In determining the audit procedures including identifying journal entries to test based on high risk criteria and comparing the identified entries to supporting documentation. These included all post year end closing journals.

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

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

#### **Fraud and breaches of laws and regulations – ability to detect (continued)**

##### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the directors and other management as required by auditing standards, and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company, as a holding company, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

##### *Context of the ability of the audit to detect fraud or breaches of law or regulation*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

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

#### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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. We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

#### **The purpose of our audit work and to whom we owe our responsibilities**

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.

*Jessica S.S. Katsouris*

**Jessica Katsouris (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*

1 St Peter's Square

Manchester

M2 3AE

26 April 2022

# Sanlam Wealth Planning Holdings UK Limited

## Profit and Loss account and Other Comprehensive Income for the year ended 31 December 2021

	Note	2021 £	2020 £
Operating expenses		(2,041,305)	(2,564,493)
<b>Operating loss</b>	2	<b>(2,041,305)</b>	<b>(2,564,493)</b>
Dividend income	3	-	1,665,788
Interest payable		-	(65,055)
Impairment loss		(46,440)	(1,096,744)
Waiver of intercompany loan	9 & 10	26,093,324	-
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>24,005,579</b>	<b>(2,060,504)</b>
Tax on loss on ordinary activities	5	131,381	106,585
<b>Profit/(loss) for the financial year after taxation</b>		<b>24,136,960</b>	<b>(1,953,919)</b>

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

There is no other comprehensive income other than those passing through the profit and loss account.

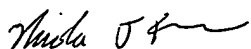
The accompanying notes on pages 15 to 27 form an integral part of these financial statements.

# Sanlam Wealth Planning Holdings UK Limited

## Balance Sheet as at 31 December 2021

	Note	2021 £	2020 £
<b>FIXED ASSETS</b>			
Goodwill	6	1,073,660	1,543,963
Intangible assets	7	3,644,862	4,979,356
Investment in subsidiaries	8	8,070,572	7,811,719
		<u>12,789,094</u>	<u>14,335,038</u>
<b>CURRENT ASSETS</b>			
Debtors: amounts falling due within one year	9	-	13,249,650
Cash at bank		83,918	1,940
		<u>83,918</u>	<u>13,251,590</u>
<b>CURRENT LIABILITIES</b>			
Creditors: amounts falling due within one year	10	(812,802)	(39,368,483)
		<u>(728,884)</u>	<u>(26,116,893)</u>
<b>NET CURRENT LIABILITIES</b>			
		<u>(728,884)</u>	<u>(26,116,893)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>12,060,210</u>	<u>(11,781,855)</u>
Creditors: amounts falling due after more than one year	11	-	(391,958)
Deferred tax liabilities	12	(502,095)	(633,476)
		<u>11,558,115</u>	<u>(12,807,289)</u>
<b>NET ASSETS/(LIABILITIES)</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	526,843	526,843
Share premium account		7,687,484	7,687,484
Capital contribution reserve	14	228,444	-
Profit and loss account		3,115,344	(21,021,616)
		<u>11,558,115</u>	<u>(12,807,289)</u>
<b>SHAREHOLDERS' FUNDS</b>			
		<u>11,558,115</u>	<u>(12,807,289)</u>

These financial statements were approved by the board of directors on 26 April 2022 and were signed on its behalf by:



N J Fraser  
Director  
26 April 2022

The accompanying notes on pages 15 to 27 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 2021

	Share Capital	Share Premium	Capital contribution	Retained Earnings	Total shareholders' funds
	£	£	£	£	£
<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>
Profit for the year after taxation	-	-	-	24,136,960	24,136,960
Capital contribution reserve	-	-	228,444	-	228,444
<b>Balance as at 31 December 2021</b>	<b>526,843</b>	<b>7,687,484</b>	<b>228,444</b>	<b>3,115,344</b>	<b>11,558,115</b>

The accompanying notes on pages 15 to 27 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 Company's registered office is at 24 Monument Street, London, England, EC3R 8AJ.

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 Company has continued to rise to the operational and market challenges presented by Covid-19 throughout 2021. The Company has responded well to the impacts from Covid-19 on operations, customers, colleagues and communities. The Directors continue to monitor short and medium-term Covid-19 related factors, including employee and supplier-related issues.

The Directors have considered the information relevant to the going concern basis under the most likely scenario of the imminent sale of the Company to Oaktree. This consideration acknowledges Oaktree's plans for the business that have been shared with the FCA as part of the change in control process. The Directors have also considered the scenario of continued Sanlam ownership.

The Directors have examined the Company's business activities, along with its financial position, financial forecasts, capital structure, risk management approach and factors likely to affect its future performance. The Directors are satisfied that the Company has a viable business proposition and robust strategic plan which is expected to continue and produce adequate resources to continue in business for a period of 12 months from the date of approval of the financial statements.

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.

**1. Accounting Policies (continued)**

**Functional and presentational currency**

The Company's functional currency and presentational currency is the Pound Sterling (GBP) reflecting the fact that substantially all transactions are paid in GBP and the Company's place of business is the United Kingdom.

**Consolidation**

The Company is exempt from preparing consolidated financial statements in accordance with s401 of the Companies Act 2006 as the Company is included in the consolidated financial statements of its ultimate parent company, Sanlam Limited, a listed financial services company incorporated in the Republic of South Africa.

The financial statements present information about the Company as an individual entity.

**Cash at bank and cash equivalents**

Cash in the Balance Sheet comprises cash held at banks and in hand.

**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 10 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.

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 or loss account

# **Sanlam Wealth Planning Holdings UK Limited**

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

### **1. Accounting Policies (continued)**

#### **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.

#### **Taxation**

The tax expense may comprise current and deferred tax. Tax is recognised through profit or loss, 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/loss for the year. Taxable profit differs from net profit 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.

#### **Cashflow statement**

The Company has taken advantage of the exemption given by FRS 102 1.12 (b) to subsidiary undertakings, where the Company is a member of a group where the parent prepares publicly available consolidated financial statements. A cash flow statement is prepared by the ultimate parent company that includes the cash flows of the Company. Details of the ultimate parent company are given in note 16 to the financial statements.

#### **Administrative expenses**

Administrative expenses principally represent amounts invoiced and incurred in respect of general overheads as well as intangible asset amortisation. Amounts expensed are based on actual costs incurred or on predetermined recharges of allocated resources.

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

**1. Accounting Policies (continued)**

**Impairment**

At each reporting date, the Company reviews the carrying amount of its applicable assets to determine whether there is any indication that those assets have suffered an impairment loss. If such indication exists, the recoverable amount is estimated in order to determine the extent of the impairment loss and the carrying amount of the asset is reduced to its recoverable amount, as calculated. An impairment loss is recognised immediately through profit or loss.

An impairment loss recognised in a prior year is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that it does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Impairment reversals are recognised immediately in the Profit or Loss account.

For debtors if there is objective evidence that an impairment loss has been incurred, the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced directly.

**Dividends receivable**

Dividends relate to income from shares in group undertakings, recognised when the paying company is obliged to make payment.

**1. Accounting Policies (continued)**

**Critical accounting judgements**

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.

**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. The assessment is inherently judgemental and thus requires significant estimate from management.

**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. The assessment is inherently judgemental and thus requires significant estimate from management.

# Sanlam Wealth Planning Holdings UK Limited

## Notes to the Financial Statements (continued)

### 1. Accounting Policies (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.

### 2. Operating loss

	2021	2020
	£	£
The loss on ordinary activities before taxation is stated after charging:		
Amortisation of goodwill (Note 6)	470,303	470,303
Amortisation of intangible fixed assets (Note 7)	1,568,245	1,970,219
Impairment of Investments (Note 8)	51,903	1,096,744
Auditor's remuneration – Audit fees	14,268	19,188

### 3. Dividend received

	2021	2020
Dividend received from Blackett Walker Ltd	-	1,665,788

### 4. Directors' emoluments

The directors emoluments are based upon an agreed apportionment of directors costs across the businesses in which they perform their services as a director.

	2021	2020
	£	£
Directors' emoluments include the following:		
- Directors' remuneration	44,423	68,800
- Bonuses	1,600	-
- Pension contributions	2,318	2,662
- Other benefits	118	274
Directors' emoluments	48,458	71,737
Directors' long term incentives	15,893	22,723

# Sanlam Wealth Planning Holdings UK Limited

## Notes to the Financial Statements (continued)

### 4. Directors' emoluments (continued)

The directors of the Company are also directors of Sanlam UK Limited and other group companies. The directors received total remuneration for the year of £48,458 (2020: £71,737), all of which was paid by either Sanlam UK Limited or the Company. The directors believe that it is practicable to apportion this amount between their services as directors of the Company and their services as directors of Sanlam UK Limited and the Company and fellow associate companies. Directors' remuneration includes salary and performance bonuses. Three directors (2020: three) are members of the long-term incentive scheme. Two directors (2020: nil) exercised options over shares in the year in relation to the Sanlam UK LTIP scheme. The remuneration, excluding long term incentives, for the highest paid director was £17,235 (2020: £26,229). The highest paid director is a member of the long-term incentive scheme. The highest paid director did exercise options over shares in the year. No other benefits were due to the highest paid director.

### 5. Taxation

	2021 £	2020 £
<b>Analysis of (credit) / charge in period</b>		
Deferred tax:		
Origination and reversal of timing differences	(221,068)	(193,651)
Impact of change in tax rate	89,687	87,066
Total deferred tax	<u>(131,381)</u>	<u>(106,585)</u>
Tax on loss on ordinary activities	<u>(131,381)</u>	<u>(106,585)</u>

#### Deferred tax

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

	2021 £	2020 £
Intangible asset timing differences	<u>(502,096)</u>	<u>(633,477)</u>
Total deferred tax	<u><u>(502,096)</u></u>	<u><u>(633,477)</u></u>

The Company has not recognised a deferred tax asset at the period end date in respect of £5,026 (2020: £5,026) of fixed asset timing differences and £16,703,032 (2020: £16,756,333) of losses as these items are expected to expire. The tax adjusted loss for the period was £nil (2020: £Nil).

#### Tax rate changes

On 3 March 2021, the Chancellor announced that the main rate of UK corporation tax would rise to 25% from 1 April 2023. This change was substantively enacted on 24 May 2021 and therefore deferred tax balances are reflective of this rate to the extent that they will realise post April 2023.

**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>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit/ (loss) on ordinary activities before tax	<u>24,005,579</u>	<u>(2,060,504)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax 19% (2019: 19%)	4,561,060	(391,496)
Effects of:		
Expenses not deductible for tax purposes	194,197	514,345
Income not subject to tax	(4,957,732)	(316,500)
Unrecognised deferred tax	-	-
Business combination	-	-
Remeasurement of deferred tax for charge in tax rate	<u>62,270</u>	<u>87,066</u>
Total tax (credit)/charge for period	<u><u>(140,205)</u></u>	<u><u>(106,585)</u></u>

The tax credit for the year represents the unwinding of the 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 to 2024. Approximately £193,000 will unwind in 2021.

**6. Goodwill**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At 1 January 2021	1,543,963	2,014,266
Amortisation	<u>(470,303)</u>	<u>(470,303)</u>
At 31 December 2021	<u><u>1,073,660</u></u>	<u><u>1,543,963</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 2021	11,341,896
Additions	233,752
Disposals	(3,497,968)
At 31 December 2021	<u>8,077,680</u>
<b>Amortisation</b>	
At 1 January 2021	6,362,540
Provided during the year	1,568,245
Disposals	(3,497,968)
At 31 December 2021	<u>4,432,817</u>
<b>Net Book Value</b>	
At 31 December 2021	<u><u>3,644,863</u></u>
At 31 December 2020	<u><u>4,979,356</u></u>

During 2021 historical intangible assets with £nil Net Book Value were written off, with no gain or loss on disposal.

**8. Investments**

<b>Cost</b>	<b>£</b>
At 1 January 2021	8,908,463
Additions	246,364
Other adjustments	(29,827)
At 31 December 2021	<u>9,125,000</u>
<b>Impairment</b>	
At 1 January 2021	1,096,744
Provided during the year	51,903
At 31 December 2021	<u>1,148,647</u>
<b>Net Book Value</b>	
At 31 December 2021	<u><u>7,976,353</u></u>
At 31 December 2020	<u><u>7,811,719</u></u>

Additions comprise of an amount of £246,364 (2020: £nil) pertaining to revaluation of contingent consideration. Also included in other adjustments is an amount of £29,827 (2020: £35,500) pertaining to the revaluation of the contingent consideration payable in relation to the Astute acquisition.

The impairment is relating to the subsidiary ( Blakett Walker) being dissolved on 24 December 2021.

# Sanlam Wealth Planning Holdings UK Limited

## Notes to the Financial Statements (continued)

### 8. Investments (continued)

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 has been settled in full as at 30 June 2021.

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. The 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 and is payable in April 2022.

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 recognised as an intangible asset of £5.1m and goodwill of £2.3m. The remaining net assets of Blackett Walker were distributed to the Company in 2020 and Blackett Walker was formally wound up in 2021.

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%
Avidus Scott Lang & Co. Limited	Financial Planning	England & Wales	Ordinary	55%
Avidus Scott Lang Group Limited	Financial Planning	England & Wales	Ordinary	55%

The subsidiaries listed above are direct investments, except for Avidus Scott Lang & Co. Limited.

Sanlam Wealth Planning UK Limited is registered at Monument Place, 24 Monument Street, London, England, EC3R

# Sanlam Wealth Planning Holdings UK Limited

## Notes to the Financial Statements (continued)

### 8. Investments (continued)

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

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

	2021	2020
	£	£
Amounts owed by subsidiaries	-	12,264,915
Amounts owed by parent	-	984,735
	<u>-</u>	<u>13,249,650</u>

Amounts owed by subsidiaries and amounts owed by parent are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

On 14 December 2021, amounts owed by group companies totalling £11,293,468 were unconditionally, irrevocably and forever waived by the Company.

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

	2021	2020
	£	£
Accruals	99,480	18,299
Deferred consideration	522,598	2,078,293
Amounts owed to group companies	<u>190,724</u>	<u>37,271,891</u>
	<u>812,802</u>	<u>39,368,483</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.

On 14 December 2021, amounts owed to group companies totalling £37,386,792 were unconditionally, irrevocably and forever waived by Sanlam UK Limited.

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

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Deferred consideration	-	391,958

**12. Deferred tax liabilities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At 1 January	633,476	740,061
Credit to profit and loss account	(131,381)	(106,585)
At 31 December	<u>502,095</u>	<u>633,476</u>

**13. Called up share capital**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Authorised:		
Ordinary shares at £1 each	1,000,000	1,000,000

	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>No.</b>	<b>No.</b>	<b>£</b>	<b>£</b>
Allotted, issued and fully paid:				
Ordinary shares at £1 each	526,843	526,843	526,843	526,843

**14. Capital contribution**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At beginning of the financial year	-	-
Additions	(228,444)	-
At end of the financial year	<u>(228,444)</u>	<u>-</u>

The capital contribution of £228,444 relates to the retention bonus that will be paid as a mean to incentivise key staff to continue employment through the completion of the sale and a short period thereafter, until such time as a suitable long term incentive scheme can be implemented. Sanlam Wealth Planning UK Limited, the subsidiary, is receiving the employment services, but it is not liable for settling the bonus. The bonus will be settled as part of the consideration payment from Oaktree Capital Management. The Company is neither receiving the employment services nor is liable to settle the Retention Bonus and is simply acting as a conduit.

# Sanlam Wealth Planning Holdings UK Limited

## Notes to the Financial Statements (continued)

### 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:

	2021	2020
Company name	£	£
Sanlam UK Limited	-	12,929,223
Sanlam Wealth Planning UK Limited	-	320,427
	<u>-</u>	<u>13,249,650</u>

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

	2021	2020
Company name	£	£
Sanlam UK Limited - Loan	-	35,636,792
Sanlam Investment Holdings UK Limited	-	1,630,000
Sanlam Wealth Planning UK Limited	157,134	-
Sanlam Private Investments UK Limited	33,590	-
Blackett Walker Limited	-	5,099
	<u>190,724</u>	<u>37,271,891</u>

### 16. Parent Company

The Company's immediate parent company is Sanlam 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).

### 17. Post balance sheet events

On 20 September 2021 Sanlam UK Limited entered into an option agreement to sell its UK wealth division (including the Company) to funds managed by Oaktree Capital Management, L.P. ("Oaktree"), for a total consideration of £140 million. The transaction has obtained regulatory approval and is expected to close on 30 April 2022. As an experienced investor in UK wealth, Oaktree will support the Company's growth plans enabling the creation of an independent and agile wealth management business. Following the transaction, the business will continue to operate under the Sanlam Wealth brand through a transition period whilst a new brand identity is developed.