The signed financial statements agrees to the referenced set under 4.5.3.

Contents

Contacts

Board of Directors:
T Nethenqwe
N Makaula-Ntsebeza

Company Secretary:
P Forsythe

Registered office:
5th Floor WeWork No.1
Poultry
1 Poultry
London
EC2R 8EJ

Registered no.:
England and Wales 5457445

Public Officer:
H Daware

Auditor:
KPMG LLP
Registered Auditor
15 Canada Square
London
E14 5GL

Directors' Report

The Directors of Education SPV Limited ("the Company") have pleasure in submitting their report on the annual financial statements for the year ended 31 December 2020.

Business activities

The Company was formed to hold shares on behalf of The Old Mutual Education Trust ("the Trust"). Its principal activity is acting as an investment holding company and it currently holds investments in Old Mutual Limited (OML), Quilter plc and Nedbank Ltd shares. The Trust utilises the dividend income from the Company to provide bursaries to students.

The Trust is the ultimate beneficial owner of the entire issued share capital of the Company. Both the Trust and the Company form part of the Old Mutual Group ("Group").

Company registration number

The Company is registered in England and Wales with registration number 5457445.

Results of operations

The loss before tax was R93 281 000 (2019: R2 772 000), and the tax credit for the year was R23 267 000 (2019: tax credit, R5 278 000).

Share capital

There was no change in the authorised or issued share capital of the Company in the current or prior year.

Principal Risks and Uncertainties

The company holds equity investments to generate return in the form of dividends. The principal risks and uncertainties arise from the ability in the equity investments to continue to pay dividends as well as any potential impairment of these investments.

Key Performance Indicators ("KPIs")

The Company's Directors are of the opinion that the KPIs for the Company are best represented by the results set out in the statement of comprehensive income on page 7.

Dividends

Dividends of **R15 000 000** were declared and paid in the current period. *(2019: R20 000 000).*

Political and Charitable Contributions

The Company made no political or charitable donations and incurred no political expenditure during the year.

Auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will continue in office.

Strategic Report

The Company applied its exemption as a small business to not disclose a Strategic Report.

Directors' Report (continued)

Financial risk management and exposure

The Company's financial risk management objectives and policies, as well as the exposure of the Company to price risk, credit risk, liquidity risk and cash flow risk are set out in note 17.

Going concern

COVID-19 does present a threat to the Company's net asset value due to the volatility of the global equity markets, however, the impact is not considered such that the foreseeable operations of the Company will be jeopardised. The Board has satisfied itself that the Company has adequate resources to continue in operation for the foreseeable future even in the event of severe but plausible scenarios. The Company's annual financial statements have thus accordingly been prepared on a going concern basis.

Directors

The Directors currently holding office are:

C Nethenqwe
N Makaula-Ntsebeza

No remuneration was payable to the Directors during the year. C Nethenqwe's duties performed in respect of this Company are considered incidental to their roles with the wider Group and they are remunerated accordingly elsewhere in the Group.

The Directors who held office at the date of approval of this Directors' Report confirm 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.

By order of the Board

C Nethenqwe
Director
Date: 30 April 2021

Statement of Directors' Responsibilities in respect of the Directors' report and the financial statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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 they have been prepared in accordance with IFRSs as adopted by the EU;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDUCATION SPV LIMITED

Opinion

We have audited the financial statements of Education SPV Limited ("the company") for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows 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 2020 and of its loss for the year then ended;
- have been properly prepared in accordance International Financial Reporting Standards as adopted by the European Union; 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.

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 at the company included:

- Enquiring of directors as to the company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud; and
- Reading board minutes.

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, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the company's revenue is limited to investment income, with no incentive for manipulation.

We did not identify any additional fraud risks.

We performed procedures including identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior management, those posted without a user identity and journals posted to unusual or seldom used accounts.

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 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 company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies' regulations), 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.

This 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.

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, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion 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 other information;
- in our opinion the information given in the strategic report and the directors' report 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 4, 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.

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.

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.

Elizabeth Cox

Elizabeth Cox (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London E14 5GL

30 April 2021

Statement of total comprehensive income

for the year ended 31 December 2020

R' 000	*Notes*	*2020*	*2019*
Revenue			
Investment loss	5	**(93 281)**	(2 772)
Expenses		**-**	-
Loss before tax		**(93 281)**	(2 772)
Income tax	6	**23 267**	5 278
(Loss) / profit for the financial year		**(70 014)**	2 506
Other comprehensive income		**-**	-
Total comprehensive (loss) / profit		**(70 014)**	2 506

All above amounts in the current and prior year derive from operating activities.

The notes on pages 13 to 24 form part of these financial statements.

Statement of financial position

for the year ended 31 December 2020

R' 000	Notes	2020	2019
Assets			
Investments and securities	7	**282 411**	389 964
Dividend receivable		**823**	1 000
Cash and cash equivalents	8	**52 653**	53 204
Deferred tax asset		**18 680**	-
Total assets		**354 567**	444 168
Liabilities			
Deferred tax liability	9	**-**	5 412
Current tax payable		**162**	4
Amounts due to Group company	10	**698**	31
Total liabilities		**860**	5 447
Net assets		**353 707**	438 721
Shareholder equity			
Share capital	11	**-**	-
Retained earnings		**353 707**	438 721
Total shareholder equity		**353 707**	438 721

The financial statements and accompanying notes as set out on pages 9 to 24 were approved by the Board of Directors on 30 April 2021, and are signed on its behalf by :

C Nethenqwe
Director

Company registration number 5457445

Statement of changes in equity

for the year ended 31 December 2020

R' 000

2020	Share capital	Retained earnings	Total
Shareholder equity at beginning of year	-	438 721	438 721
Loss for the financial year	-	(70 014)	(70 014)
Other comprehensive income	-	-	-
Total comprehensive loss	-	(70 014)	(70 014)
Dividends paid	-	(15 000)	(15 000)
Shareholder equity at end of year	-	353 707	353 707

2019	Share capital	Retained earnings	Total
Shareholder equity at beginning of year	-	456 215	456 215
Profit for the financial year	-	2 506	2 506
Other comprehensive income	-	-	-
Total comprehensive income	-	2 506	2 506
Dividends paid	-	(20 000)	(20 000)
Shareholder equity at end of year	-	438 721	438 721

The notes on pages 13 to 24 form part of these financial statements.

Statement of cash flows

for the year ended 31 December 2020

R' 000	Notes	2020	2019
Cash flows from operating activities			
Loss before tax		**(93 281)**	(2 772)
Non-cash movements and adjustments to profit before tax	*15.1*	**93 281**	2 772
Dividends received		**14 067**	19 848
Dividends paid		**(15 000)**	(37 000)
Interest received		**382**	229
Taxation paid	*15.2*	**(667)**	(60)
Net cash from/(utilised in) operating activities		**(1 218)**	(16 983)
Cash flows generated/(used) in financing activities			
Movement in amounts due to Group companies		**667**	(102)
Net decrease in cash and cash equivalents		**(551)**	(17 086)
Cash and cash equivalents at beginning of year		**53 204**	70 290
Cash and cash equivalents at end of year	*8*	**52 653**	53 204

The notes on pages 13 to 24 form part of these financial statements.

Notes to the annual financial statements

for the year ended 31 December 2020

1 General information

The Company operates as an investment holding company.

2 Accounting policies

2.1 Statement of compliance

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations as adopted by the European Union (EU) and in accordance with the requirements of the Companies Act, 2006. The accounting policies applied are consistent with those of the previous year.

2.2 Basis of preparation

The financial statements have been prepared based on and in compliance with IFRS as adopted by the EU and are presented in South African Rand, the Company's functional currency.

The financial statements provide information about the financial position, results of operations and changes in financial position of the Company. They have been prepared under historical cost convention, as modified by the financial assets at fair value through profit or loss.

The Company has sufficient assets to settle its liabilities as and when they become due in the ordinary course of business.

COVID-19 does present a threat to the Company's net asset value due to the volatility of the global equity markets, however, the impact is not considered such that the foreseeable operations of the Company will be jeopardised. The Board has satisfied itself that the Company has adequate resources to continue in operation for the foreseeable future, even in the event of severe but plausible scenarios. The Company's annual financial statements have thus accordingly been prepared on a going concern basis.

2.3 Taxation

Income tax charge for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred taxation is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax base. The amount of deferred taxation provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date. Deferred taxation is charged to the income statement except to the extent that it relates to a transaction that is recognised directly in other comprehensive income. The effect on deferred taxation of any changes in tax rates is recognised in the income statement, except to the extent that it relates to items previously charged or credited directly to other comprehensive income.

A deferred tax asset is recognised to the extent that it is probable that future taxable income will be available, against which the unutilised tax losses and deductible temporary differences can be used. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefits will be realised. We expect the share prices to recover and the related deferred tax asset to be utilised against the future probable income.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised and included within the tax charge.

Notes to the annual financial statements

for the year ended 31 December 2020

2 Accounting policies *(continued)*

2.4 *Financial instruments*

Financial instruments comprise of investments and securities and loans and advances, including an amount due to a Group company.

Classification and measurement of financial assets and financial liabilities

Initial recognition of financial assets

Under IFRS 9, on initial recognition, a financial asset is classified as measured at:

- Amortised cost;
- Fair Value through Other Comprehensive Income (FVOCI) which may include debt or equity instruments; or
- Fair Value through Profit and Loss (FVTPL).

The classification of financial assets under IFRS 9 is based on whether the financial assets are equity instruments, debt instruments held or derivative assets. Equity instruments and derivative assets are mandatorily categorised as financial assets at FVTPL. The classification and measurement of debt instruments is dependent on the business model in which the financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not accounted for separately. Instead, the hybrid financial instrument as a whole is assessed for classification.

A debt instrument is classified as a financial asset at amortised cost if it meets both of the following conditions (and is not designated as at FVTPL):

- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All debt instrument financial assets that were not classified as measured at amortised cost or FVOCI are measured at FVTPL. On initial recognition, the Trust may irrevocably designate a debt instrument financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI or at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Initial recognition of financial assets

Transaction costs that are directly attributable to the acquisition of financial assets are expensed in profit or loss for financial assets initially classified at FVTPL. For financial assets not classified at FVTPL, transaction costs are added to or deducted from the fair value at initial recognition.

Subsequent measurement of financial assets

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net fair value gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Initial recognition of financial liabilities

On initial recognition financial liabilities are measured at fair value plus or minus, in the case of financial liabilities not classified at FVTPL, transaction costs that are incremental and directly attributable to the issue of the financial liability. Transaction costs of financial liabilities carried at FVTPL are expensed in profit or loss.

Subsequent measurement of financial liabilities

Fair value movements attributable to changes in the credit risk of a financial liability designated at FVTPL is recorded in other comprehensive income and not recycled to profit or loss. The balance of the fair value movement is recorded in profit or loss.

Financial liabilities at amortised cost

These liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign currency exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Notes to the annual financial statements

for the year ended 31 December 2020

2 Accounting policies *(continued)*

2.4 Financial instruments (continued)

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model and results in credit losses being recognised earlier than under IAS 39. The new impairment model applies to financial assets measured at amortised cost (for example mandatory reserve deposits with central banks, loans and advances, trade and other receivables and cash and cash equivalents) and corporate debt investments. There is no impact of this change to the Trust as this is the first period of trading.

The ECL impairment loss allowance is an unbiased, probability-weighted amount determined by evaluating a range of possible outcomes that reflects reasonable and supportable information that is available without undue cost or effort of past events, current conditions and forecasts of forward-looking economic conditions. The ECL model is dependent on the availability of relevant and accurate data to determine whether a significant increase in credit risk occurred since initial recognition, the probability of default (PD), the loss given default (LGD) and the possible exposure at default (EAD). Of equal importance is sound correlation between these parameters and forward-looking economic conditions.

ECL reflects an entity's own expectations of credit losses. However, when considering all reasonable and supportable information that is available without undue cost or effort in estimating ECL, an entity should also consider observable market information about the credit risk of the particular financial instrument or similar financial instruments.

Forward-looking information includes, but is not limited to macro-economic conditions expected in the future. Forward-looking information used in the ECL calculation should reflect the nature and characteristics of the credit risk exposures. All reasonable and supportable information that is available should be used when incorporating forward-looking information in to the ECL allowance. Forward-looking assessments can be performed on an individual or collective basis. Forward-looking factors should be aligned with risk factors used in risk assessments, stress testing, budgeting as well as strategy and pricing decisions. Relevant factors include factors intrinsic to the entity and its business or derived from external conditions.

2.5 Investments and securities

The Investments and securities held by the company are equity instruments representing shares in OML, Quilter and Nedbank, all of which used to be part of the group headed by Old Mutual plc (since de-merged).

2.6 Dividends

Dividends receivable is recognised when the right to receive payment is established on the ex-dividend date as investment income.

Dividends payable to holders of equity instruments, are recognised in the period in which the dividend distribution is authorised and approved by the Company's shareholder. There is no impact of dividend withholding tax as the Company pays to a Trust.

Notes to the annual financial statements

for the year ended 31 December 2020

2 Accounting policies *(continued)*

2.7 Share capital

Ordinary share capital is classified as equity if it is non-redeemable by the holder or if dividends are discretionary.

2.8 New accounting standards and interpretations adopted

The Company has adopted the following standards for the first time in the annual reporting period commencing 1 January 2020:
-Amendments to IFRS3: Business Combinations
- Amendments to IAS 1: Presentation of Financial Statements
- IAS 8: Accounting Policies
- Changes in Accounting Estimates and Errors
The adoption of these standards did not have any impact on the current or prior period.

Notes to the annual financial statements

for the year ended 31 December 2020

3 *Ultimate Parent Undertaking*

Old Mutual Limited, registered in South Africa, is the ultimate parent undertaking. The largest and smallest group in which the results of the Company are consolidated is Old Mutual Limited. Its financial statements are available directly from Old Mutual Limited, Mutualpark, Jan Smuts Drive, Pinelands, 7405.

4 *Statement of financial position - assets and liabilities*

The Company is exposed to financial risk through its financial assets and liabilities. The most important components of financial risk are credit risk, market risk and liquidity risk. Market risk arises from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and/or conditions. Note 17 discusses the financial risk management of the Company. This section provides a detailed analysis of the composition of the financial assets and liabilities.

4.1 *Categories of financial instruments*

The analysis of assets and liabilities into their categories is set out in the following table. For completeness, assets and liabilities of a non–financial nature are reflected in the non–financial assets and liabilities category.

R' 000

At 31 December 2020	**Financial assets at amortised cost**	**Financial liabilities at amortised cost**	**Financial assets at fair value through profit or loss**	**Non-financial assets and liabilities**	**Total**
Assets					
Investment and securities	-	-	282 411	-	282 411
Dividend receivable	823	-	-	-	823
Deferred tax asset				18 680	18 680
Cash and cash equivalents	52 653	-	-	-	52 653
Total assets	**53 476**	**-**	**282 411**	**18 680**	**354 567**
Liabilities					
Amounts due to Group company	-	698	-	-	698
Current tax payable	-	-	-	162	162
Total liabilities	**-**	**698**	**-**	**162**	**860**

At 31 December 2019	Financial assets at amortised cost	Financial liabilities at amortised cost	Financial assets at fair value through profit or loss	Non-financial assets and liabilities	Total
Assets					
Investment and securities	-	-	389 964	-	389 964
Sundry Debtor	-	-	-	1 000	1,000
Cash and cash equivalents	53 204	-	-	-	53,204
Total assets	53 204	-	389 964	1 000	444 168
Liabilities					
Deferred tax liability	-	-	-	5 412	5 412
Amounts due to Group company	-	31	-	-	31
Dividends payable to OM Education Trust	-	-	-	4	4
Total liabilities	-	31	-	5 416	5 447

Notes to the annual financial statements

for the year ended 31 December 2020

4 Statement of financial position - assets and liabilities *(continued)*

4.2 *Fair values of financial assets and liabilities*

Determination of fair value

All financial instruments, regardless of their IFRS 9 categorisation, are initially recorded at fair value. The fair value of a financial instrument on initial recognition is normally the transaction price, that is, the fair value of the consideration given or received. In certain circumstances, however, the initial fair value may be based on other observable current market transactions in the same instrument, without modification or repackaging, or on a valuation technique whose variables include only observable data.

Subsequent to initial recognition, the fair values of financial instruments measured at fair value that are quoted in active markets are based on bid prices for assets, which in certain circumstances includes using quotations from independent third parties such as brokers and pricing services, and offer prices for liabilities. When quoted prices are not available, fair values are determined by using valuation techniques that refer as far as possible to observable market data. These include comparison with similar instruments where market observable prices exist, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants. A number of factors such as bid–offer spread, credit profile, servicing costs and model uncertainty are taken into account, as appropriate, when values are calculated using a valuation technique. Changes in the assumptions used in such valuations could impact the reported value of such instruments.

In general, none of the carrying amounts of financial assets and liabilities carried at amortised cost have a fair value significantly different to their carrying amounts. Such assets and liabilities are primarily comprised of variable–rate financial assets and liabilities that reprice as interest rates change, short-term deposits or current assets.

Investment and securities

The fair values of listed investments and securities are based on closing prices. For unlisted investments and securities, fair values are determined using valuation techniques that refer as far as possible to observable market data.

Other financial assets and liabilities

The fair values of other financial assets and liabilities are reasonably approximated by the carrying amounts reflected in the statement of financial position.

Fair value hierarchy

Fair values are determined according to the following hierarchy:

- Level 1 – quoted market prices: financial assets and liabilities with quoted prices for identical instruments in active markets.
- Level 2 – valuation techniques using observable inputs: quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.
- Level 3 – valuation techniques using significant unobservable inputs: financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable.

The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

The judgement as to whether a market is active may include, for example, consideration of factors such as the magnitude and frequency of trading activity, the availability of prices and the size of bid/offer spreads. In inactive markets, obtaining assurance that the transaction price provides evidence of fair value or determining the adjustments to transaction prices that are necessary to measure the fair value of the asset or liability requires additional work during the valuation process.

Notes to the annual financial statements

for the year ended 31 December 2020

4 Statement of financial position - assets and liabilities *(continued)*

4.2 *Fair values of financial assets and liabilities (continued)*

Fair value hierarchy (continued)

The majority of valuation techniques employ only observable market data, and so the reliability of the fair value measurement is high. However, certain financial assets and liabilities are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable and, for them, the derivation of fair value is more judgemental. A financial asset or liability in its entirety is classified as valued using significant unobservable inputs if a significant proportion of that asset or liability's carrying amount is driven by unobservable inputs. In this context, 'unobservable' means that there is little or no current market data available for which to determine the price at which an arm's length transaction would likely to occur. It generally does not mean that there is no market data available at all upon which to base a determination of fair value. Furthermore, in some cases the majority of the fair value derived from a valuation technique with significant unobservable inputs may be attributable to observable inputs.

Consequently, the effect of uncertainty in determining unobservable inputs will generally be restricted to uncertainty about the overall fair value of the asset or liability being measured.

R' 000

Fair value hierarchy

At 31 December 2020	Level 1	Level 2	Total
Financial assets measured at fair value			
Designated as fair value through profit or loss			
Investments and securities	282 411	-	282 411
Total financial assets measured at fair value	**282 411**	**-**	**282 411**

At 31 December 2019	Level 1	Level 2	Total
Financial assets measured at fair value			
Designated as fair value through profit or loss			
Investments and securities	389 964	-	389 964
Total financial assets measured at fair value	389 964	-	389 964

Notes to the annual financial statements

for the year ended 31 December 2020

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5 *Investment losses*

	2020	2019
Dividend income		
Investments and securities	**13 890**	20 848
Interest income		
Cash and cash equivalents	**382**	229
Fair value losses		
Investment and securities	**(107 553)**	(23 849)
Included in statement of profit or loss and other comprehensive income	**(93 281)**	(2 772)

6 *Income tax*

	2020	2019
South African taxation		
Normal income tax - current year	**(825)**	(64)
Deferred tax - capital gains tax (CGT) - current year	**24 092**	5 342
	23 267	5 278

The tax charge for the year is disproportionate to profit for the year as dividend income is not taxable in terms of the Income Tax Act and capital gains and losses are taxed at different rates.

Reconciliation of taxation rate on profit before tax

	%	%
Standard rate of taxation	**28.0**	28.0
Adjusted for:		
Exempt income	**3.0**	210.6
Disallowed expenditure	**(32.0)**	(240.9)
Capital gains tax - rate difference	**25.8**	192.7
Effective tax rate	**24.8**	190.4

Notes to the annual financial statements

for the year ended 31 December 2020

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7 *Investments and securities*	*2020*	*2019*
Financial instruments through profit or loss		
Equity investments - listed		
10 740 000 Old Mutual Limited shares, at fair value	**127 699**	211,149
344 943 Nedbank shares, at fair value	**44 663**	73,921
3 580 000 Quilter shares, at fair value	**110 049**	104,894
	282 411	389 964

8 *Cash and cash equivalents*		
Current account	**52 653**	53 204

The effective interest rate on short-term bank deposits was 6.55% (2019:6.55%). It has no maturity date.

9 *Deferred tax liability*	**At beginning 2020**	**Statement of comprehensive income charge**	***At end 2020***
Unrealised capital gain	**(5,412)**	**24 092**	**18 680**
	(5,412)	**24 092**	**18 680**

	At beginning 2019	Statement of comprehensive income charge	***At end 2019***
Unrealised capital gain	10,754	(5,342)	5 412
	10,754	(5,342)	5 412

10 *Amounts due to Group company*	*2020*	*2019*
Old Mutual Life Assurance Company (South Africa) Limited ("OMLAC(SA)")	**698**	31

The loan is unsecured, interest-free and not subject to fixed terms of repayment.

11 *Share capital*		
Authorised share capital		
1 000 ordinary shares of R1 each	**1**	1
Issued share capital		
3 ordinary shares of R1 each	**-**	-

Issued shares

2 ordinary shares were issued at incorporation on 19 May 2005. 1 ordinary share was issued on 13 March 2009.

Unissued shares

Subject to the restrictions imposed by the Companies Act 2006, the unissued shares are under the control of the Directors.

Notes to the annual financial statements

for the year ended 31 December 2020

12 *Related party disclosures*

Holding Trust

The Company's Holding Trust is The Old Mutual Education Trust, ultimately controlled by Old Mutual Limited.

Directors

Key management personnel and their close members of family, and entities which they control, jointly control or are ones over which they exercise significant influence are considered related parties to the Company.

The Directors as listed in the Directors' Report are considered to comprise key management personnel. No Directors' fees were paid or accrued during 2020. As the directors are trustees on the Education Trust, their services to the SPV is incidental to them being on the Education Trust board.

Transactions

There were no material transactions with directors or their families during the current financial period.

Dividends received on Old Mutual Ltd shares held amounted to R8 055 000 (2019: R12 566 000).

Dividends received on Nedbank shares held amounted to R 2 242 188 (2019: R4 967 000).

Dividends of R15 000 000 were paid to The Old Mutual Education Trust during the year (2019: R20 000 000).

Balances

The loan owed to Old Mutual Life Assurance Company (South Africa) Limited (OMLAC(SA)) amounted to R698 070 (2019: R31 000).

Old Mutual Ltd shares held at fair value amounted to R127 698 600 for the current year (2019: R211 149 000).

Audit fees borne by OMLAC(SA) refer to note 13.

Nedbank Ltd shares held at fair value amounted to R44 663 222 for the current year (2019: R73 921 000).

13 *Auditor's remuneration*

Audit fees for the Company are borne by OMLAC(SA). The audit fees for the year amounted to R330 525 (2019: R392 840), there were no non audit services in the current year and prior year.

14 *Employees*

The Company has no employees. The Company's operations are undertaken by the employees of Old Mutual Life Assurance Company (South Africa) Limited and Old Mutual Residual UK Limited.

R' 000

15 *Notes to the statement of cash flows*	2020	2019
15.1 Non-cash movements and adjustments to profit before tax consist of:		
Fair value losses	**107 553**	23 849
Interest income	**(382)**	(229)
Dividend income	**(13 890)**	(20 848)
	93 281	2 772

15.2 **Taxation payable**		
Taxation (payable)/refundable at beginning of year	**(4)**	-
Normal income tax as per note 6	**(825)**	(64)
Taxation (receivable)/payable due at end of year	**162**	4
	(667)	(60)

Notes to the annual financial statements

for the year ended 31 December 2020

16 Directors' interest and remuneration

There were no direct interests in shares or remuneration payable to the Directors during the current or prior year.

17 Events subsequent to reporting date

No events after the reporting period that require disclosure.

18 Financial risk management

Effective risk management is integral to the Company's objective of consistently adding value to shareholders. The focus of risk management is on identifying, assessing, managing and monitoring risk. Exposure to market risk and credit risk arises in the normal course of the Company's business.

The financial assets at fair value through profit or loss are exposed to market risk.

The Company has no exposure to currency risk.

18.1 *Credit risk*

Credit risk represents the risk that any counterparty may not be able to pay its obligations to the Company when due. Credit risk is managed through a process of establishing limits for exposure and monitoring exposure. Credit risk is the risk that an asset, in the form of a monetary claim against a counterparty, may not result in a cash receipt (or equivalent) in accordance with the terms of a contract.

The company is not exposed to significant credit risk.

18.2 *Market risk*

Market risk is the potential impact on earnings of unfavourable changes in foreign exchange rates, interest rates, prices, market volatilities and liquidity.

The financial assets at fair value through profit or loss are exposed to market risk.

The following table reflects the fair value of the investments and securities that would arise from a 10 percent change in the share price:

R' 000

At 31 December 2020	Actual fair value	Fair value - 10% decrease in share price	Fair value - 10% increase in share
Asset			
Investment and securities	**282 411**	**254 170**	**310 652**

At 31 December 2019	Actual fair value	Fair value - 10% decrease in share price	Fair value - 10% increase in share price
Asset			
Investment and securities	389 964	350 967	428 960

18.3 *Capital adequacy*

The Company's capital is not actively managed and it is not subject to any minimum regulatory capital adequacy requirements.

Notes to the annual financial statements

for the year ended 31 December 2020

18 Financial risk management (continued)

18.4 Interest rate risk

Interest rate risk is the risk that fluctuating interest rates will unfavourably affect the Company's earnings and the value of its assets, liabilities and capital.

The Company's exposure to interest risk is limited to interest earned on cash and cash equivalents which is earned at variable rates.

At the reporting date, the Company did not have significant exposure to interest rate risk.

18.5 Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost.

A policy statement for liquidity risk that governs liquidity risk has been adopted by OMLAC(SA), the Group company which settles expenses on behalf of many of the Group's subsidiaries, including those of the Company. High level principles, roles and responsibilities and reporting requirements are set out in that policy statement document.

Key Principles:

The key principles under which OMLAC(SA) assumes liquidity risk, include a liquidity strategy at a Business Unit (BU) level for the day-to-day management and execution of liquidity risk, liquidity limits set by each BU and the monitoring of the Group's net funding requirement.

Roles & Responsibilities:

The Board of Directors are responsible for the effective management of liquidity risk, by putting the appropriate structure and processes in place. The OMLAC(SA) Audit, Risk and Compliance Committee is responsible for reviewing the adequacy and effectiveness.

The table below analyses assets and liabilities into current and non-current categories based on the remaining period at reporting date to settlement date or, if not subject to fixed terms of repayment, the intention as regards settlement period at the reporting date.

R' 000

At 31 December 2020	**Current assets**	**Non-current assets**	**Total**
Assets			
Investments and securities	-	282 411	282 411
Dividends receivable	823	-	823
Cash and cash equivalents	52 653	-	52 653
Deferred tax asset	-	18 680	18 680
Total assets	**53 476**	**301 091**	**354 567**
	Current liabilities	**Non-current liabilities**	**Total**
Liabilities			
Amounts due to Group company	698	-	698
Current tax payable	162	-	162
Total liabilities	**860**	**-**	**860**

At 31 December 2019	Current assets	Non-current assets	Total
Assets			
Investments and securities	-	389 964	389 964
Sundry debtor	1 000	-	1,000
Cash and cash equivalents	53 204	-	53 204
Total assets	54 204	389 964	444 168
	Current liabilities	Non-current liabilities	Total
Liabilities			
Deferred tax liability	-	5 412	5,412
Amounts due to Group company	31	-	31
Current tax payable	4	-	4
Total liabilities	35	5 412	5 447