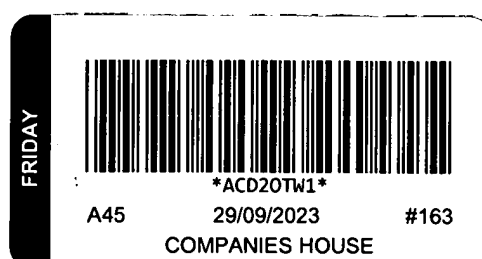




SANLAM UK LIMITED

Annual Report and Accounts
for the year ended 31 December 2022



Sanlam UK Limited

Contents

	Page (s)
Company Information	1
Directors' Report	2 - 4
Strategic Report	5 - 6
Statement of Directors' Responsibilities	7
Independent Auditor's Report to the members of Sanlam UK Limited	8 - 12
Profit and Loss Account and Other comprehensive income	13
Balance Sheet	14
Statement of Changes in Equity	15
Notes to the Financial Statements	16 -34

Sanlam UK Limited

Company Information

Directors

H Franckeiss
C Roothman
T Van Heerden

Statutory Auditor

KPMG LLP
15 Canada Square
London
E14 5GL

Banker

Barclays Business Banking
Barclays Business PLC
Leicester
LE87 2BB

Registered Office

Monument Place
24 Monument Street
London
England
EC3R 8AJ

Registered Company Number

6575962

Sanlam UK Limited

Directors' Report

The directors' of Sanlam UK Limited (the "Company") present their annual report, together with the audited financial statements, for the year ended 31 December 2022.

Principal activity

The principal activity of Sanlam UK Limited (the "Company") is to act as a holding company. The Company coordinates the activities of the UK business within an approved governance framework.

The Company is incorporated in England and Wales.

Directors

The names of the persons who are directors at the date of this report and, who have served throughout the year are as follows:

J Polin (resigned 6 May 2022)
N Fraser (resigned 6 May 2022)
H Franckeiss (appointed 28 January 2022)
C Roothman (appointed 31 March 2022)
T Van Heerden (appointed 28 January 2022)

Indemnification of Directors

The directors are covered by professional indemnity insurance. No claims have been made under this indemnity in respect of the Company during the year ended 31 December 2022, (2021: £nil) or since then to the date of this report.

Appointment of Auditor

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

Sanlam UK Limited

Directors' Report continued

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 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.

Future development

Following successful completion of the transition service agreement ("TSA") in 2024 provided to CASLP Limited and Atomos Investments Limited, it is the intention of the directors to review business operations of the Company and decide on business continuity.

Conflict in Ukraine

The directors do not consider the ongoing Russian - Ukraine crisis to have any significant impact on its business operations either now or in the near future.

Going Concern

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

The directors have examined the Company's business activities, along with its financial position, capital structure, risk management approach and factors likely to affect its future performance. The directors are satisfied that the Company has access to 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 have concluded that it remains appropriate to prepare the financial statements on a going concern basis.

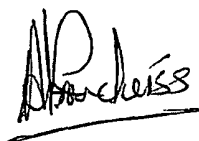
Sanlam UK Limited

Directors' Report continued

Going Concern (continued)

Further details on the going concern status of the company are detailed in Note 1.

Approved by the Board of Directors and signed on behalf of the Board by:

A handwritten signature in black ink, appearing to read 'H Franckeiss', written over a horizontal line.

H Franckeiss
Director

27 September 2023

Sanlam UK Limited

Strategic Report

The directors present their strategic report for the year ended 31 December 2022.

Review of business

The Profit before tax for the year amounted to £31,410,168 (2021: loss of £4,671,284).

The Company has reported a profit for the year after tax of £32,932,543 (2021: loss of £5,219,992). The profit for the year is primarily driven by the gain on disposal of investments for £44,171,426 (2021: £60,917,130). No impairment of intercompany loan receivable was recognised in the year (2021: £40,939,110). In addition, administrative expenses reduced by £14,827,744 in the current year.

The Company has shareholders' funds of £152,602,321 (2021: £119,669,778) on its balance sheet as at the year end.

During the financial year, the Board approved an additional investment of £2,500,000 into Sanlam Investments Holdings UK Limited and capital contribution of £8,300,000 in Sanlam Private Investments Holdings (UK) Limited.

On 29 April 2022, the Company disposed of its investments in Sanlam Life and Pensions Limited and Sanlam Financial Services Limited for a consideration of £39m. Following the sale of Sanlam Life and Pensions Limited, Sanlam Investments Holding Limited became the sponsoring employer of the Merchant Investor Pension Scheme.

On 6 May 2022, the Company disposed of its investments in Sanlam Wealth Planning Holdings Limited, Sanlam Wealth Planning UK Ltd, Avidus Scott Lang & Co Limited, Avidus Scott Lang Group Limited and Sanlam Private Investments UK Limited for a total consideration of £141m.

Sanlam UK Limited

Strategic Report continued

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy are subject to a number of risks.

The Company is managed by a management committee incorporating heads of the primary departments. The management committee meets formally at least monthly and more regularly if required. Key business risks are monitored by the management committee. The management committee reports regularly to the board of directors. The board of directors meet formally at least quarterly and more regularly if required. The key business risk and uncertainty affecting the Company is considered to relate to key employee retention. Key business risks mentioned are discussed and monitored at all directors meetings. Management committee and the board of directors take appropriate actions as required.

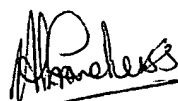
Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to companies within the Sanlam Limited Group or entities with which the Company has a strategic relationship. Details of the Company's debtors are shown in note 10.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company aims to mitigate liquidity risk by means of borrowing only from companies within the Sanlam Limited Group, in particular its holding company, Sanlam UK Holdings Limited.

Approved by the Board of Directors and signed on behalf of the Board by:



H Franckeiss
Director

27 September 2023

Sanlam UK Limited

Statement of Director's 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 also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sanlam UK Limited

Independent Auditor's report to the members of Sanlam UK Limited

Opinion

We have audited the financial statements of Sanlam UK Limited ("the Company") for the year ended 31 December 2022 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 2022 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.

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.

Sanlam UK Limited

Independent Auditor's report to the members of Sanlam UK Limited (continued)

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, and Audit and Risk committee minutes.
- Considering remuneration incentive schemes and performance targets for management.
- 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 the calculation of revenue is non-judgemental and straight forward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We identified journal entries to test based on high risk criteria and compared them to supporting documentation. These included all post year end closing journals.

Sanlam UK Limited

Independent Auditor's report to the members of Sanlam 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.

Secondly, the Company is 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, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: anti-bribery, money laundering and GDPR compliance recognising the financial nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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.

Sanlam UK Limited

Independent Auditor's report to the members of Sanlam 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 7, 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 UK Limited

Independent Auditor's report to the members of Sanlam UK Limited (continued)

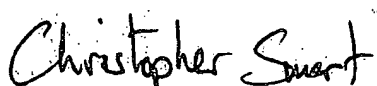
Auditor's responsibilities

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.

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.



Christopher Smart (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

15 Canada Square

London

E14 5GL

28 September 2023

Sanlam UK Limited

Profit and Loss Account and Other Comprehensive Income for the year ended 31 December 2022

	Note	2022 £	2021 £
Turnover	1	954,497	2,287,069
Administrative expenses	2	(18,483,144)	(33,310,888)
OPERATING LOSS		(17,528,647)	(31,023,819)
Interest payable	5	-	(32,495)
Impairment of investments held	8	-	(1,073,733)
Gain on disposal on Investment	8	44,171,426	60,917,130
Ordinary dividends receivable	7	4,767,389	7,480,743
Impairment of loans		-	(40,939,110)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		31,410,168	(4,671,284)
Tax (credit)/charge on ordinary activities	6	1,522,375	(548,708)
PROFIT / (LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		32,932,543	(5,219,992)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE FINANCIAL YEAR		32,932,543	(5,219,992)

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

The accompanying notes on pages 16 to 34 form an integral part of these financial statements.

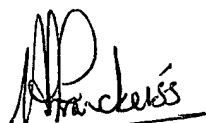
Sanlam UK Limited

Balance Sheet as at 31 December 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Investments in group undertakings and participating interests	8	32,638,693	155,895,089
Tangible assets	9	<u>1,068,491</u>	<u>1,079,501</u>
		<u>33,707,184</u>	<u>156,974,590</u>
CURRENT ASSETS			
Debtors	10	5,589,744	2,805,812
Cash at bank		<u>124,282,989</u>	<u>11,234,523</u>
		<u>129,872,733</u>	<u>14,040,335</u>
CURRENT LIABILITIES			
Creditors - amounts falling due within one year	11	2,428,056	33,666,070
Accruals and deferred income		<u>4,804,970</u>	<u>6,922,986</u>
		<u>7,233,026</u>	<u>40,589,056</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>122,639,707</u>	<u>(26,548,721)</u>
Provision for liabilities	13	3,744,570	10,756,091
NET ASSETS		<u>152,602,321</u>	<u>119,669,778</u>
CAPITAL AND RESERVES			
Called up share capital	12	116,299,230	116,299,230
Share premium account	12	-	3,488,449
Profit and Loss Account		34,344,878	(2,076,114)
Capital Contribution Reserve	14	<u>1,958,213</u>	<u>1,958,213</u>
SHAREHOLDERS' FUNDS		<u>152,602,321</u>	<u>119,669,778</u>

The accompanying notes on pages 16 to 34 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 27 September 2023 and were signed on its behalf by:



H Franckeiss
Director
27 September 2023

Company number: 6575962

Sanlam UK Limited

Statement of Changes in Equity for the year ended 31 December 2022

	Share Capital	Share Premium	Capital contribution reserve	Profit and loss account	Total shareholders' funds
	£	£	£	£	£
Balance as at 1 January 2021	116,299,230	3,488,449	854,811	3,143,878	123,786,368
Loss for the year after taxation	-	-	-	(5,219,992)	(5,219,992)
Capital contribution	-	-	1,103,402	-	1,103,402
Balance as at 31 December 2021	116,299,230	3,488,449	1,958,213	(2,076,114)	119,669,778
Profit for the year after taxation	-	-	-	32,932,543	32,932,543
Capital reduction	-	(3,488,449)	-	3,488,449	-
Balance as at 31 December 2022	116,299,230	-	1,958,213	34,344,878	152,602,321

The accompanying notes on pages 16 to 34 form an integral part of these financial statements.

Sanlam UK Limited

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.

Going Concern

Following the sale of the life and pension and wealth planning business units in the financial year, the Company has significant cash reserves allowing it to adequately meet its financial liabilities in a timely manner. This ready access to financial resources is sufficient for the Company to meet its obligations for a period of 12 months from the date of approval of the financial statements.

The Company made a profit for the year and was also in a net current position at year end; as a result, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the period of at least 12 months from the date the financial statements are authorised for issue.

Having considered these matters and after making appropriate enquiries, the directors are satisfied that there are no material uncertainties to the Company's ability to adopt the going concern basis of accounting and that the Company has adequate resources to continue to operate as a going concern for a period of 12 months from date of approval of the financial statements. For this reason, they consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

Consolidation

The Company is exempt from preparing consolidated financial statements in accordance with s400 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.

Sanlam UK Limited

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Administrative expenses

Administrative expenses principally represent amounts invoiced/accrued in respect of staff resources and general overheads to facilitate the administration of the Company.

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.

Interest payable and similar charges

Interest is payable on any amounts outstanding in respect of financing arrangements between fellow group undertakings at rates agreed by the relevant parties from time to time and is accounted for on an accruals basis.

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.

Turnover

Turnover represents fees for services provided by the Company to CASLP Ltd and Atomos Investments Limited as part of the TSA. It is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes, accounted for on an accruals basis.

Functional and presentational currency

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

Sanlam UK Limited

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Impairments

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 much 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 in the Profit and Loss Account.

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 and 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.

Tangible assets and depreciation

The cost of tangible fixed assets is depreciated on the straight line basis over their expected useful lives at the following annual rates:

Computer equipment	25%
Leasehold Improvements	25% based on useful life of 4 years

Onerous Provision

An onerous contract is defined as a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefit to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract. This is the lower of the cost of fulfilling the contract and any compensation or penalties arising from a failure to fulfill it. If an entity has a contract that is onerous, the entity recognises and measures the present obligation under the contract as a provision. Further details can be found in Note 13.

Sanlam UK Limited

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Taxation

The charge for taxation is based on the profit or loss for the year and takes into account deferred taxation. Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the taxation computation. Deferred tax assets and liabilities are calculated at the tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

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

Provision is made for taxation on gains arising from the revaluation (and similar fair value adjustments) of fixed assets and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to taxation only where the replacement assets are sold.

Deferred taxation assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on an undiscounted basis at the taxation rates that are expected to apply in the periods in which timing differences reverse, based on taxation rates and laws enacted or substantively enacted at the balance sheet date.

Sanlam UK Limited

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Cash at bank and cash equivalents

Cash in the balance sheet comprises cash held at bank.

Dividends receivable

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

Cash flow 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 17 to the financial statements.

Operating leases

Costs in respect of operating leases are charged on a straight line basis over the lease term. In the case of operating leases relating to land and buildings, where a rent-free period or other incentive is included in the lease, the costs of the lease are charged on a straight line basis over the term including the rent-free period. The costs comprise the total amounts payable less incentives received.

Sanlam UK Limited

Notes to the Financial Statements (continued)

1. Accounting policies (continued)

Critical accounting judgement and estimates

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.

The directors consider the following to be the key sources of estimation uncertainty:

Impairment of investment in subsidiaries

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

Valuation of the subsidiary of the Company includes funding, economic, business and expense assumptions incorporating risk free rate, risk margin, discount rate, perpetuity growth rate, current and long term inflation rate applied against future cashflows.

Sanlam UK Limited

Notes to the Financial Statements (continued)

2. Administrative expenses

Profit on ordinary activities before taxation is stated after charging:

	2022	2021
	£	£
Staff costs	4,262,609	3,065,967
Auditors' remuneration	298,570	779,898
Operating lease charges	160,266	140,723
Other administration expenses	8,706,457	5,876,776
Loan impairment	-	3,463,177
Onerous lease provision	-	3,031,934
Project related costs	3,883,622	5,524,373
Depreciation	1,171,620	434,448
Restructuring costs	-	10,993,592
	18,483,144	33,310,888

3. Staff costs

The average number of employees directly in the Company's employment in 2022 is forty three (2021: twenty eight)

The total staff costs (including directors' emoluments) during the year were:

	2022	2021
	£	£
- Wages and salaries	3,416,740	1,839,963
- Bonus	258,476	310,297
- Social security costs - Wages and salaries	405,949	640,483
- Other pension costs	181,444	275,224
	4,262,609	3,065,967

Sanlam UK Limited

Notes to the Financial Statements (continued)

4. Directors' Emoluments

The directors emoluments shown for 2022 are based upon an agreed apportionment of directors costs across the businesses in which they perform their services as a director.

	2022	2021
	£	£
Directors' emoluments include the following:		
- Directors' remuneration	1,259,406	95,133
- Bonuses	994,821	3,199
- Pension contributions	136,622	4,448
- Other benefits	3,108	160
- Long Term Incentive Plan ("LTIP")	189,868	38,184
- Loss of office	330,515	-
- Bonus - Incentive	3,259,762	-
	<u>6,174,102</u>	<u>141,124</u>

The directors of the Company are also directors of other group companies. The directors received total remuneration for the year of £6,174,102 (2021: £141,124), all of which was paid by the Company or its subsidiaries. Two directors (2021: two) are members of the long-term incentive scheme. Two directors (2021: two) exercised options over shares in the year in relation to the Sanlam Group LTIP scheme.

5. Interest payable

	2022	2021
	£	£
Interest payable on loans from		
Sanlam Asset Management (Ireland) Limited	<u>-</u>	<u>32,495</u>

Sanlam UK Limited

Notes to the Financial Statements (continued)

6. Tax on ordinary activities

The tax on loss for the year shown in the Profit and Loss Account and Other Comprehensive Income is:

	2022	2021
	£	£
Current Tax		
UK Corporation Tax on losses for the year	-	(408,338)
Adjustment in respect of prior periods	(858,664)	957,046
Total current tax	(858,664)	548,708
Inter-company tax balances		
Group relief	(663,711)	-
Total current tax credit/(charge)	(1,522,375)	548,708

The total current tax credit is a reflection of anticipated group relief the Company surrenders to group companies in exchange for payment (at tax value of 19%).

Reconciliation of tax charge

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

	2022	2021
	£	£
Loss on ordinary activities before tax	31,410,168	(4,671,284)
Loss multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	5,967,932	(887,544)
Effects of :		
Fixed Asset	38,440	-
Exempt ABGH distributions	(905,804)	-
Group relief surrendered	663,711	-
Receipt of group relief	(663,711)	-
Expenses not deductible for tax purposes	19,772,223	10,888,590
Adjustments in respect of prior years	(858,664)	957,046
Income not subject to tax	(26,896,094)	(12,995,596)
Re-measurement of deferred tax	(429,345)	-
Movement in deferred tax not recognised	1,788,937	2,586,212
	(1,522,375)	548,708

Expenses not deductible for tax represents trade adjustments from administrative expenses and impairment associated with the sale of investment in Sanlam Private Investments (UK) Ltd and Sanlam Wealth Planning UK Limited.

Sanlam UK Limited

Notes to the Financial Statements (continued)

6. Tax on ordinary activities (continued)

Tax rate changes

On 03 March 2021, the Chancellor announced that the main rate of UK corporation tax would rise from 19% to 25% from 01 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.

Deferred tax

The company has not recognised a deferred tax asset (2021: nil) at the period end date in respect of fixed asset timing differences of £348,931 (2021: £198,042) and losses carried forward of £21,459,842 (2021: £18,290,220) as it is not considered probable that future taxable profit will be available against which timing differences and carried forward losses can reverse.

A current tax credit has been recognised in respect of £3,493,215 of losses carried forward at the year end date. Management agreed to surrender the losses for £663,711 from within the group entity and the anticipated credit has been recognised in other debtors.

7. Ordinary dividends received

	2022	2021
	£	£
Sanlam Private Investments Holdings UK Ltd	-	7,480,743
Sanlam Life & Pension UK Limited	4,767,389	-
	<u>4,767,389</u>	<u>7,480,743</u>

Sanlam UK Limited

Notes to the Financial Statements (continued)

8. Investments in group undertakings and participating interests

	2022	2021
	£	£
Cost		
At 1 January	183,706,619	183,527,985
Additions	10,800,000	14,334,780
Adjustment to cost	-	(33,526)
Disposal	(134,056,396)	(14,122,620)
At 31 December	<u>60,450,223</u>	<u>183,706,619</u>
Impairment		
At 1 January	(27,811,530)	(26,737,797)
Impairment during the year	-	(1,073,733)
At 31 December	<u>(27,811,530)</u>	<u>(27,811,530)</u>
Net book value		
At 1 January	<u>155,895,089</u>	<u>156,790,188</u>
At 31 December	<u>32,638,693</u>	<u>155,895,089</u>

Additions

In the year, the Company invested £2,500,000 into Sanlam Investments Holdings (UK) Limited. In addition, £8,300,000 capital contribution was made to Sanlam Private Investment Holding (UK) Ltd in the year.

Disposals

On 6 May 2022, the Company disposed of its investments in Sanlam Wealth Planning Holdings Limited, Sanlam Wealth Planning UK Ltd, Avidus Scott Lang & Co Limited, Avidus Scott Lang Group Limited and Sanlam Private Investments UK Limited resulting in a gain of disposal for £141m.

Sanlam UK Limited

Notes to the Financial Statements (continued)

8. Investments in group undertakings and participating interests (continued)

The following are investments in which the Company holds 20% or more of the nominal value of any class of share capital:

Name of undertaking	Country of incorporation or residency	Nature of business	Class of shareholding	% Held	Ownership
Sanlam Investments Holdings UK Limited*	England	Holding company	Ordinary	100.00	Direct
Sanlam Investments UK Limited*	England	Investment management	Ordinary	100.00	Indirect
Aubrey Walk Asset Management Limited**	Guernsey	Investment management	Ordinary	100.00	Indirect
Sanlam Private Investments (UK) Holdings Limited*	England	Holding company	Ordinary	100.00	Direct
Sanlam Securities UK Limited*	England	Stock-broking services	Ordinary	100.00	Indirect
Principal Nominees Limited*	England	Dormant	Ordinary	100.00	Indirect
Sanlam Partnerships Limited*	England	Financial advice	Ordinary	100.00	Direct

Registered office addresses are denoted as follows:

* 24 Monument Street, London, England, EC3R 8AJ

** Ground Floor, Dorey Court, Admiral Park, St Peter Port, Guernsey, GY1 2HT

Sanlam UK Limited

Notes to the Financial Statements (continued)

9. Tangible assets

	Computer equipment	Property, Plant and Equipment	Leasehold Improvements	Total
	£	£	£	£
Cost				
At 1 January 2022	1,173,145	645,852	-	1,818,997
Additions	38,351	-	-	38,351
(Disposals)/Transfer	(341,869)	468,847	995,281	1,122,259
At 31 December 2022	<u>869,627</u>	<u>1,114,699</u>	<u>995,281</u>	<u>2,979,607</u>
Depreciation				
At 1 January 2022	(496,498)	(242,998)	-	(739,496)
Charged in year	(198,909)	(271,842)	(123,546)	(594,297)
(Disposals)/Transfer	131,391	(248,587)	(460,127)	(577,323)
At 31 December 2022	<u>(564,016)</u>	<u>(763,427)</u>	<u>(583,673)</u>	<u>(1,911,116)</u>
Net book value				
At 31 December 2021	<u>676,647</u>	<u>402,854</u>	<u>-</u>	<u>1,079,501</u>
At 31 December 2022	<u>305,611</u>	<u>351,272</u>	<u>411,608</u>	<u>1,068,491</u>

10. Debtors

	2022 £	2021 £
Amounts owed by fellow group undertakings	3,129,861	485,036
Other debtors	2,459,883	2,320,776
	<u>5,589,744</u>	<u>2,805,812</u>

Amounts owed by fellow group companies represent interest free working capital loans all of which are repayable on demand.

Sanlam UK Limited

Notes to the Financial Statements (continued)

11. Creditors - amounts falling due within one year

	2022	2021
	£	£
Amounts owed to fellow group undertakings	807,378	12,283,226
Loan from Sanlam Life & Pensions UK Limited	-	12,500,000
Loan from Sanlam Investments UK Limited	-	7,087,500
Other creditors	1,620,579	1,538,128
Deferred consideration from Sanlam Investments Holdings UK Limited	99	99
Social security costs	-	257,117
	<u>2,428,056</u>	<u>33,666,070</u>

Amounts owed to fellow group companies consist of balances with Sanlam Private Investments (UK) Holding Ltd. The balance with Sanlam Private Investments (UK) Holding Ltd for £807,378 is interest free and repayable on demand.

The decrease in amounts owed to fellow group companies during 2022 is driven by a group wide intercompany settlement process to simplify the intercompany positions across the UK group. During the year, the Company made a loan settlement payment for £12,743,075, £12,500,000 and £7,087,500 to Sanlam UK Holdings Limited, Sanlam Life & Pensions UK Limited and Sanlam Investments UK Limited respectively.

Sanlam UK Limited

Notes to the Financial Statements (continued)

12. Called up share capital

Share capital

	2022	2021
	£	£
Authorised		
Ordinary shares and A ordinary shares of £1 each	<u>250,000,000</u>	<u>250,000,000</u>
Issued, Called Up and Fully Paid		
Ordinary shares of £1 each	116,274,124	116,274,124
G1 Ordinary shares of £0.001 each	14,064	14,064
G2 Ordinary shares of £0.001 each	4,010	4,010
G3 Ordinary shares of £0.001 each	3,314	3,314
G4 Ordinary shares of £0.001 each	3,718	3,718
	<u>116,299,230</u>	<u>116,299,230</u>
Share premium	2022	2021
	£	£
Opening balance	3,488,449	3,488,449
Movement in the year	<u>(3,488,449)</u>	<u>-</u>
Closing balance	<u>-</u>	<u>3,488,449</u>

A special resolution was passed on 21 April 2022 to reduce the share premium balance by £3,488,449.

The respective share rights of the ordinary, G1 ordinary, G2 ordinary, G3 ordinary and G4 ordinary shares are as follows:

Dividends

On declaration of a dividend, each ordinary share is ranked equally. Holders of G1 ordinary, G2 ordinary, G3 ordinary Shares and G4 ordinary shares are not entitled to receive dividends.

Votes

Each holder of ordinary shares is entitled to one vote per share held. The holders of G1 ordinary, G2 ordinary, G3 ordinary shares and G4 ordinary shares are not entitled to vote.

Winding Up

On winding up the business, each ordinary share is ranked equally for any distribution. Holders of G1 ordinary, G2 ordinary, G3 ordinary and G4 ordinary shares are not entitled to any distribution on the winding up of the business.

Redemption

The ordinary G1 ordinary, G2 ordinary, G3 ordinary and G4 ordinary shares are not redeemable.

Sanlam UK Limited

Notes to the Financial Statements (continued)

13. Provision for liabilities

	2022	2021
	£	£
Onerous lease		
Opening Balance	3,031,934	-
Movement in the year	(694,711)	3,031,934
Closing Balance	<u>2,337,223</u>	<u>3,031,934</u>
General provisions		
Opening Balance	7,724,157	1,881,081
Movement in the year	(6,316,810)	5,843,076
Closing Balance	<u>1,407,347</u>	<u>7,724,157</u>
Total Closing Balance		
Onerous lease	2,337,223	3,031,934
General provisions	<u>1,407,347</u>	<u>7,724,157</u>
	<u>3,744,570</u>	<u>10,756,091</u>

The onerous lease movement in the year represents the lease reduction provision adjusting for the amount recoverable under the TSA. Movement in general provision in the year relates to release of restructuring provision booked in prior year associated with the sales of businesses for £7,022,825 and an increase in staff retention bonus for £706,015.

14. Capital Contribution Reserve

	2022	2021
	£	£
Opening balance	1,958,213	854,811
Capital contribution	-	1,103,402
Closing balance	<u>1,958,213</u>	<u>1,958,213</u>

15. Operating lease commitments

The following are aggregate commitments under operating leases as at 31 December:

	2022	2021
	Land and Buildings	Land and Buildings
	£	£
Within one year	1,034,432	988,962
Between one and five years	1,575,344	2,609,776
	<u>2,609,776</u>	<u>3,598,738</u>

The land and buildings operating lease commitment relates to the lease of One Temple Quay, Bristol which commenced in March 2020 and Monument Place, London which commenced in November 2015. The leasehold agreements were novated from the Company's subsidiary.

Sanlam UK Limited

Notes to the Financial Statements (continued)

15. Operating lease commitments (continued)

	2022	2021
	Office	Office
	Equipment	Equipment
	£	£
Within one year	59,399	59,399
Between one and five years	59,399	118,799
	118,798	178,198

The office equipment operating lease commitment relates to the lease of the SCC managed print solution equipment which commenced in January 2020 and expires in December 2024.

16. Related party disclosure

The Company has taken advantage of the exemption given by FRS 102 Section 33 Related Party Disclosures to wholly owned subsidiary undertakings information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties. The Company had related party transactions with Sanlam Private Investments (UK) Limited, which is not a wholly owned subsidiary within the Sanlam group.

Sanlam UK Limited

Notes to the Financial Statements (continued)

16. Related party disclosure (continued)

The following table provides the receivable balances with related parties not wholly owned by the Sanlam group at the year end:

	2022 £	2021 £
Sanlam Funds Services Limited	-	108,766
	<u>-</u>	<u>108,766</u>

The following table provides the payable balances with related parties not wholly owned by the Sanlam group at the year end:

	2022 £	2021 £
Sanlam Investment Management (Pty) Limited	-	1,040,000
Sanlam UK Holdings Limited	-	10,543,075
Sanlam Life & Pensions UK Limited	-	12,777,199
Sanlam Wealth Planning UK Limited	-	422,192
Sanlam Private Investments (UK) Limited	-	760
	<u>-</u>	<u>24,783,226</u>

17. Ultimate parent undertaking

The Company's immediate parent undertaking is Sanlam UK Holdings 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.

Sanlam UK Limited

Notes to the Financial Statements (continued)

18. Post balance sheet events

A special resolution was passed on 26 May 2023 to reduce the share capital of the Company by £116,000,000 by cancelling 116,000,000 fully paid ordinary shares of £1 each in the capital of the Company in order to create distributable reserves. Following the special resolution, the total aggregate nominal value of issued share capital for the Company reduced from £116,299,230 to £299,231.

Following the board meeting held in June 2023 in connection with the return of capital to Sanlam Limited by way of a dividend to Sanlam UK Holdings Limited with regards to the sale of Sanlam Private Investments (UK) Ltd, Sanlam Wealth Planning Holdings UK Limited and Sanlam Life and Pensions UK Limited by the Company in the financial year, the Company made a payment of £94,000,000 to Sanlam UK Holdings Limited on 7 June 2023.