



SANLAM INVESTMENT HOLDINGS UK LIMITED

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

Sanlam Investment Holdings UK Limited

Company Information

Directors

J Polin	(Chief Executive, Director)
N Fraser	(Executive, Director)
R Roux	(Non-Executive Director)
I Plenderleith	(Non-Executive Director) (Chairman)
JAA Samuels	(Non-Executive Director)
V Oak	(Non-Executive Director)
H Ward	(Non-Executive Director)
PB Hanratty	(Non-Executive Director)
TF Van Heerden	(Non-Executive Director)

Secretary

N Fraser

Auditors

Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

Registered Office

Monument Place
24 Monument Street
London
England
EC3R 8JA

Registered Company Number

07812240

Sanlam Investment Holdings UK Limited

Directors' Report

The directors have pleasure in submitting their Directors' Report and audited Financial Statements of Sanlam Investment Holdings UK Limited (the "Company") for the year ended 31 December 2019.

The Directors' Report has been prepared in accordance with section 414B of the Companies Act 2006 (Strategic Report and Directors' Report Regulations 2013). The Company has taken advantage of the small companies exemption from preparing a strategic report.

Principal Activities

The principal activity of the Company continues to be that of a holding company.

Directors

The directors of the Company for the year ended 31 December 2019 are shown on page 1. Jeremy Gibson resigned from his positions of director and company secretary on 2 October 2019 and 7 October 2019 respectively. Nicola Fraser was appointed as a director as well as company secretary on 7 May 2020.

Results and dividends

The results for the year are set out on page 8. The profit for the year is driven by foreign exchange profits on group loans largely offset by one off administrative expenses in relation to costs paid to Gensec BV Holdings which is part of the wider Sanlam Group but whose costs were incurred in this Company. These were final payments as a result of historic restructuring and as such should not be repeated in future years.

No ordinary dividends were paid during 2019 (2018: £96,405,000). The directors do not recommend payment of a final dividend (2018: £nil). Details of the dividends are reported in note 7.

During the year the Company received loans from Sanlam Limited, which were subsequently passed through to its' subsidiaries, to help fund the acquisitions of Thesis Private Office Limited (subsequently renamed Sanlam Private Wealth South Limited), Blackett Walker Limited and Avidus Scott Lang Group Limited. These loans were recapitalised through an issue of shares by the Company to Sanlam Limited during December 2019. The nominal value of shares issued was £32,893,424.

Auditor

Ernst & Young LLP are the appointed auditors to the Company and, in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the members.

Sanlam Investment Holdings UK Limited

Directors' Report continued

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

Covid-19

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

The Company is continuously assessing and monitoring the impact that the Covid-19 pandemic may have on its ongoing performance.

At this time, there remains considerable uncertainty as to how long the Covid-19 pandemic will last and as to the extent and duration of the economic, financial and other disruptions caused by the pandemic.

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

Approved by the Board

7 July 2020



Jonathan Polin
Chief Executive Officer

Sanlam Investment Holdings UK Limited

Statement of Directors' responsibilities in respect of the Financial Statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable to the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Sanlam Investment Holdings UK Limited

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

Opinion

We have audited the financial statements of Sanlam Investment Holdings UK Limited for the year ended 31 December 2019 which comprise the Statement of Total Comprehensive Income, Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Covid-19

We draw attention to notes 1 and 16 of the financial statements, which describe the going concern considerations and the economic and social disruption the Company is facing as a result of Covid-19 which is impacting financial markets. Our opinion is not modified in respect of this matter.

Sanlam Investment Holdings UK Limited

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Sanlam Investment Holdings UK Limited

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

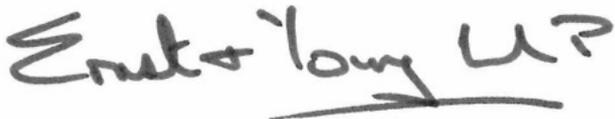
Sanlam Investment Holdings UK Limited

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive style and is underlined with a single horizontal stroke.

Richard Page (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Bristol 7 July 2020

Sanlam Investment Holdings UK Limited

Statement of Total Comprehensive Income for the year ended 31 December 2019

	Note	2019 £	2018 £
Administrative expenses		(383,096)	(64,193)
Profit/(Loss) on foreign exchange		<u>390,488</u>	<u>(661,876)</u>
OPERATING PROFIT/(LOSS)	3	7,392	(726,069)
Other income	5	7,861	14,461
Profit on sale of investments	9	<u>-</u>	<u>67,167,916</u>
PROFIT BEFORE TAXATION		15,253	66,456,308
Taxation	6	-	(115,853)
TOTAL COMPREHENSIVE PROFIT		<u>15,253</u>	<u>66,340,455</u>

The Statement of Total Comprehensive Income has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those going through the Statement of Total Comprehensive Income.

The accompanying notes form an integral part of these financial statements.

Sanlam Investment Holdings UK Limited

Statement of Financial Position as at 31 December 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Investments in group undertakings and participating interests	8	129,705,761	130,428,513
CURRENT ASSETS			
Trade and other receivables	11	44,109,870	10,219,827
Cash at bank and in hand		1,835,892	2,629,755
		45,945,762	12,849,582
CURRENT LIABILITIES			
	12	16,596	551,845
NET CURRENT ASSETS			
		45,929,166	12,297,737
NET ASSETS			
		175,634,927	142,726,250
CAPITAL AND RESERVES			
Called up share capital	13	39,393,426	6,500,002
Other reserves		71,188,820	71,188,820
Retained earnings		65,052,681	65,037,428
SHAREHOLDERS' FUNDS			
		175,634,927	142,726,250

Approved by the Board

7 July 2020



Jonathan Polin
Chief Executive Officer

Registered number:
07812240

The accompanying notes form an integral part of these financial statements.

Sanlam Investment Holdings UK Limited

Statement of Changes in Equity for the year ended 31 December 2019

		Share Capital	Other reserves	Retained Earnings	Total
	Note	£	£	£	£
Balance as at 1 January 2018		6,500,002	71,188,820	95,101,973	172,790,795
Profit for the year after taxation		-	-	66,340,455	66,340,455
Dividends	7	-	-	(96,405,000)	(96,405,000)
Balance as at 31 December 2018		6,500,002	71,188,820	65,037,428	142,726,250
Issued Share Capital	13	32,893,424	-	-	32,893,424
Profit for the year after taxation		-	-	15,253	15,253
Balance as at 31 December 2019		39,393,426	71,188,820	65,052,681	175,634,927

The accompanying notes form an integral part of these financial statements.

Sanlam Investment Holdings UK Limited

Notes to the Financial Statements

1. Accounting policies

Company information

Sanlam Investment Holdings UK Limited is a company limited by shares incorporated in England and Wales.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The Company has taken advantage of the exemption under section 401 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the Company as an individual entity and not about its group.

The Company is a wholly owned subsidiary of Sanlam Limited, a legal entity incorporated in Republic of South Africa and the results of the Company are included in the consolidated financial statements of Sanlam Limited which are publicly available online.

The financial statements are presented in sterling, which is also the functional currency of the Company.

The financial statements have been prepared on a going concern basis under the historical cost convention. The principal accounting policies adopted are set out below.

As a qualifying entity, the Company has taken advantage of the following FRS 102 disclosure exemptions:

- The requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv).
- The requirements of Section 7 Statement of Cash Flows and Section 3 Financial Statement Presentation paragraph 3.17(d).
- The requirements of Section 11 paragraphs 11.39 to 11.48A and Section 12 paragraphs 12.26 to 12.29A providing the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23, provided that for a qualifying entity that is:
 - (i) A subsidiary, the share-based payment arrangement concerns equity instruments of another group entity;

Notes to the Financial Statements continued

Accounting convention (continued)

- (ii) An ultimate parent, the share-based payment arrangement concerns its own equity instruments and its separate financial statements are presented alongside the consolidated financial statements of the group; and, in both cases, provided that the equivalent disclosures required by this FRS are included in the consolidated financial statements of the group in which the entity is consolidated.
- The requirement of Section 33 Related Party Disclosures paragraph 33.7.

Going Concern

The Company continues to be an investment holding company and did not trade in the year. The Directors believe that the value in use of its investment in group undertakings is higher than the carrying value and therefore the investment in equity is not impaired. The going concern basis of preparation has been adopted for the financial statements of all the trading subsidiary undertakings and as such the Directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future.

The Directors have also considered specific Covid-19 stress scenarios which includes the impact of a further shock to equity markets and reduction in income. Under these stress scenarios the Company's capital was projected to remain at an adequate level and sufficient liquidity existed to meet liabilities as they fall due and has also received approval for on-call capital from its parent, Sanlam Limited, should this be required.

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

Non-current investments

Interests in subsidiaries, associates and jointly controlled entities 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 impairment losses are recognised immediately in profit or loss.

Cash at bank and in hand

Cash at bank and in hand includes cash in hand and deposits held at call with banks.

Notes to the Financial Statements continued

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Notes to the Financial Statements continued

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

Taxation

The tax expense represents tax currently payable.

Notes to the Financial Statements continued

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited through profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Foreign exchange

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are recorded through profit or loss.

Dividend income

Dividends relate to income from shares in group undertakings, recognised in the period in which the dividend has been declared.

Sanlam Investment Holdings UK Limited

Notes to the Financial Statements continued

Other reserves

Other reserves as shown in the balance sheet reflects the share capital and share premium from Sanlam Netherlands Holdings B.V., the Company which merged with Sanlam Investment Holdings UK Limited in 2015. This reserve is non-distributable.

2. Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3. Operating profit/(loss)

	2019	2018
	£	£
Operating profit for the year is stated after crediting/(charging):		
Profit/(loss) on foreign exchange	390,488	(661,876)
Group restructuring costs	333,510	-
Fees payable to the Company's auditor for the audit of the Company's statutory financial statements	(16,595)	(13,117)

4. Employees

No staff are employed directly by the Company. The directors received no emoluments from the Company. The directors are paid by Sanlam UK, a subsidiary of the Company.

5. Other income

	2019	2018
	£	£
Interest income		
Interest on bank deposits	7,861	3,397
Other interest income	-	11,064
Total interest revenue	<u>7,861</u>	<u>14,461</u>

Sanlam Investment Holdings UK Limited

Notes to the Financial Statements continued

6. Taxation

The tax on profit for the period shown in the Statement of Total Comprehensive Income is:

	2019	2018
	£	£
Current Tax		
Adjustment in respect of prior periods	-	115,853
Total current tax charge	<u>-</u>	<u>115,853</u>
Tax on profit on ordinary activities	<u>-</u>	<u>115,853</u>

Reconciliation of tax charge

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

	2019	2018
	£	£
Profit on ordinary activities before tax	15,253	66,456,308
Profit multiplied by the standard rate of tax in the UK of 19% (2018:19%)	2,898	12,626,699
Effects of:		
- Income not subject to tax	-	(12,761,904)
- Expenses not deductible for tax purposes	74,941	10,950
- Use of losses not previously recognised	(77,839)	124,255
- Adjustments to tax charge in respect of prior years	-	115,853
Tax charge for the year	<u>-</u>	<u>115,853</u>

Tax rate changes

The UK corporation tax rate decreased from 20% to 19% from 1 April 2017. Further changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2016, reducing the UK corporation tax rate to 17% from 1 April 2020. Any deferred tax assets or liabilities recognised are reflective of these rates. On 12 March 2020, the Chancellor announced that the planned reduction of the UK corporation tax rate to 17% would not proceed. The estimated impact of this change would be a £5,000 increase in the closing deferred tax asset (should deferred tax be recognised).

Sanlam Investment Holdings UK Limited

Notes to the Financial Statements continued

Deferred tax

The company has not recognised a deferred tax asset in respect of the £248,798 non-trading loss carried forward at the balance sheet date as it is not considered probable that future profits will exist to recover the asset.

The unrecognised gross balance brought forward as at 1 January 2019 was £658,476, an increase of £4,500 on that reflected in the 2018 financial statements owing to corrections made at the 2018 tax submission stage. £409,678 of the brought forward balance of losses was utilised this year against a foreign currency exchange gain.

	2019	2018
	£	£
Gross tax losses carried forward on which deferred tax not recognised	248,798	653,976

7. Dividends

	2019	2018
	£	£
Ordinary dividends paid to: Sanlam Limited	-	96,405,000

No Ordinary dividends were paid during the year (2018: £96,405,000).

Sanlam Investment Holdings UK Limited

Notes to the Financial Statements continued

8. Fixed asset investments

	2019	2018
	£	£
Shares in group undertakings	129,705,761	130,428,513

The Company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

Movement in non-current investments

	Shares in group undertakings
	£
Cost of valuation	
At 1 January 2019	130,428,513
Revaluation	(722,752)
At 31 December 2019	<u>129,705,761</u>
Carrying amount	
At 31 December 2019	<u>129,705,761</u>
At 31 December 2018	<u>130,428,513</u>

During the year the value of the investments was reduced by £722,752. The original valuation was based on an expected level of mis-selling claims within one of Sanlam UK Limited's subsidiaries (Sanlam Life & Pensions UK Limited). Whilst, the original agreement for the acquisition allowed for a recovery from Allianz based on claims incurred, the value of investment has been reduced in line with the actual value of mis-selling claims which have been reimbursed from Allianz.

Disposals

No fixed asset investments were disposed of during the year (2018: £29,237,084).

Impairments

The Company has performed an impairment review on the investment in subsidiaries. The carrying amounts are lower than the internal valuations therefore the directors have concluded that there is no need to impair the value of these investments.

Sanlam Investment Holdings UK Limited

Notes to the Financial Statements continued

9. Profit on sale of investments

	2019	2018
	£	£
Sanlam Asset Management (Ireland) Limited	-	62,192,916
Sanlam International Investment Partners USA Holdings Inc	-	3,075,000
Artisan Real Estate Investors Limited	-	1,900,000
	<u>-</u>	<u>1,900,000</u>
	<u>-</u>	<u>67,167,916</u>

No fixed asset investments were disposed of during the year.

Sanlam Investment Holdings UK Limited

Notes to the Financial Statements continued

10. Subsidiaries

The subsidiary undertakings of the Company are below.

Name of undertaking	Country of incorporation or residency	Nature of business	Class of shareholding	% Held
Sanlam UK Limited*	United Kingdom	Holding company	Ordinary	100.00
Nucleus Financial Group Limited^	United Kingdom	Wrap platform service provider	Ordinary	52.19
Nucleus Financial Services Limited^	United Kingdom	Wrap platform service provider	Ordinary	52.19
Nucleus IFA Services Limited^	United Kingdom	Wrap platform service provider	Ordinary	52.19
Nucleus IMX Limited^	United Kingdom	Dormant	Ordinary	52.19
Nucleus Trustee Company Limited^	United Kingdom	Dormant	Ordinary	52.19
NFS (Nominees) Limited^	United Kingdom	Dormant	Ordinary	52.19
Sanlam Investments Holdings UK Limited*	United Kingdom	Investment management	Ordinary	96.81
Sanlam Investments UK Limited*	United Kingdom	Investment management	Ordinary	98.88
Sanlam International Investments Limited*	United Kingdom	Investment management	Ordinary	98.88
Cameron Hume Limited**	United Kingdom	Investment management	Ordinary	20.00
Sanlam Funds Services Limited*	United Kingdom	Dormant	Ordinary	100.00

Sanlam Investment Holdings UK Limited

Notes to the Financial Statements continued

Name of undertaking	Country of incorporation or residency	Nature of business	Class of shareholding	% Held
Sanlam Private Investments (UK) Holdings Limited*	United Kingdom	Investment management	Ordinary	96.59
Sanlam Securities UK Limited*	United Kingdom	Stock-broking services	Ordinary	96.59
Merchant Securities (Nominees) Limited*	United Kingdom	Dormant	Ordinary	96.59
Sanlam Private Investments (UK) Limited*	United Kingdom	Investment management	Ordinary	96.59
Principal Nominees Limited*	United Kingdom	Nominee Services	Ordinary	96.59
*English Mutual Limited	United Kingdom	Financial advice	Ordinary	100.00
Sanlam Partnerships Limited*	United Kingdom	Financial advice	Ordinary	100.00
Sanlam Life & Pensions UK Limited*	United Kingdom	Life assurance and pensions	Ordinary	100.00
Sanlam Financial Services UK Limited*	United Kingdom	Investments	Ordinary	100.00
Sanlam Trustee Services UK Limited*	United Kingdom	Pensions scheme trustee	Ordinary	100.00
Sanlam Private Wealth South Limited*	United Kingdom	Fund management activities	Ordinary	100.00
Sanlam Wealth Planning Holdings UK Limited*	United Kingdom	Financial advice	Ordinary	99.99

Sanlam Investment Holdings UK Limited

Notes to the Financial Statements continued

Name of undertaking	Country of incorporation or residency	Nature of business	Class of shareholding	% Held
Sanlam Wealth Planning UK Limited*	United Kingdom	Financial advice	Ordinary	99.99
Snowdonia Asset Management Limited*	United Kingdom	Dormant	Ordinary	99.99
Buckles Limited*	United Kingdom	Dormant	Ordinary	99.99
Avidus Scott Lang Group Limited^^	United Kingdom	Financial advice	Ordinary	55.00
Avidus Scott Lang & Co. Limited^^	United Kingdom	Financial advice	Ordinary	55.00
Blackett Walker Limited*	United Kingdom	Financial advice	Ordinary	100.00

The Company's investment in Sanlam UK Limited is direct ownership, all other investments are indirect ownership.

Registered office addresses are denoted as follows:

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

^ Elder House St Georges Business Park, 207 Brooklands Road, Weybridge, Surrey, England, KT13 0TS

** Exchange Place 1, 1 Sempole Street, Edinburgh, EH3 8BL

^^ Stafford Court, 145 Washway Road, Sale, Cheshire, M33 7PE

11. Trade and other receivables

	2019	2018
Amounts falling within one year:	£	£
Amount due from parent undertaking	1	1
Amounts due from fellow group undertakings	<u>44,109,869</u>	<u>10,219,826</u>
	<u>44,109,870</u>	<u>10,219,827</u>

The large increase in receivables during the year relates to amounts loaned to subsidiaries for acquisitions completed during 2019.

Sanlam Investment Holdings UK Limited

Notes to the Financial Statements continued

12. Current liabilities

	2019	2018
Amounts falling within one year:	£	£
Trade payables	-	523,578
Accruals and deferred income	16,596	28,267
	<u>16,596</u>	<u>28,267</u>
	<u><u>16,596</u></u>	<u><u>551,845</u></u>

13. Share capital

	2019	2018
Ordinary share capital	£	£
Issued and fully paid		
39,393,426 (2018: 6,500,002) ordinary shares of £1 each	39,393,426	6,500,002
	<u>39,393,426</u>	<u>6,500,002</u>

During 2019 a number of acquisitions took place within the Sanlam UK Group as detailed below. During the year the Company received loans from Sanlam Limited, which were subsequently passed through to its' subsidiaries, to help fund the acquisitions of Thesis Private Office Limited (subsequently renamed Sanlam Private Wealth South Limited), Blackett Walker Limited and Avidus Scott Lang Group Limited. These loans were recapitalised through an issue of shares by the Company to Sanlam Limited during December 2019. The value of shares issued was £32,893,424.

Blackett Walker

On 9 April 2019, Sanlam Wealth Planning Holdings UK Limited acquired the entire share capital of Blackett Walker Limited ("Blackett Walker") for an initial payment of £4,493,372 and two deferred considerations totalling £3,500,000.

Avidus Scott Lang

On 14 August 2019, Sanlam Wealth Planning Holdings UK Limited acquired 55% of the share capital of Avidus Scott Group Limited ("ASL") for an initial payment of £1,170,174 and deferred consideration totalling £876,967.

Sanlam Private Wealth South Limited (formerly Thesis Private Office Limited)

On 20 September 2019, Sanlam UK Limited acquired the entire share capital of Sanlam Private Wealth South Limited, formerly Thesis Private Office Limited ("Thesis"), for an initial payment of £29,304,503 and deferred consideration totalling £6,219,504.

Sanlam Investment Holdings UK Limited

Notes to the Financial Statements continued

14. Related party disclosure

The following table provides the intercompany balances with other entities in the Sanlam group.

	2019	2018
	£	£
Sanlam Limited	6,024,834	6,091,890
Sanlam Spec (Proprietary) Limited	653,216	660,486
Genbel Securities Limited	63,851	64,561
Sanlam Investment Holdings Limited	562,637	568,899
International Investments USA Holdings Inc	528,408	549,629
Sanlam UK Limited	34,646,924	1,164,362
Sanlam Wealth Planning Holdings UK Limited	<u>1,630,000</u>	<u>1,120,000</u>
	<u>44,109,870</u>	<u>10,219,827</u>

During the year, the Company issued loans to Sanlam UK Limited for £33,482,562 to provide funding for the acquisitions purchased during the year.

During the year, the Company issued a loan to Sanlam Wealth Planning Holdings UK Limited, a subsidiary of Sanlam UK Limited, for £510,000.

During the year, there were foreign exchange rate movements resulting in a reduction in balances held in South African Rand: Sanlam Limited (£67,055), Sanlam Spec (Proprietary) Limited (£7,270), Genbel Securities Limited (£711) and Sanlam Investment Holdings Limited (£6,262).

During the year, there were foreign exchange rate movements resulting in reduction in the balance held in US Dollars: International Investments USA Holdings Inc (£21,222).

15. Controlling party

The ultimate controlling party as at 31 December 2019 is Sanlam Limited, a legal entity incorporated in Republic of 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. Sanlam Limited prepares group accounts which include the Company. Copies of these accounts are publicly available online or on request from Sanlam Limited, 2 Strand Road, Bellville, South Africa (PO Box 1, Sanlamhof, 7532, South Africa).

16. Post Balance Sheet Events

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

The extent of the future impact on the Company cannot be estimated with any certainty. However, the directors have considered that the Company does not trade and noted the significant headroom that exists between the carrying value of the investment in Sanlam UK Limited and its value in use.

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