21 March 2016

Sanne Group plc
("Sanne", "the Group" or "the Company")
Preliminary Results for the year ended 31 December 2015

Sanne, the specialist provider of outsourced corporate and fund administration, reporting and fiduciary services, announces its results for the year ended 31 December 2015.

	2015	**2014**	**Change**
Revenue	£45.6m	£35.6m	+28%
Adjusted operating profit before exceptionals [(1)]	£15.7m	£11.3m	+39%
Adjusted operating profit margin before exceptionals [(1)]	34.4%	31.7%	+2.7 ppt
Operating profit	£5.9m	£11.0m	-46%
Adjusted profit before tax [(1)]	£14.5m	£8.1m	+79%
Profit before tax	£2.4m	£7.8m	-69%
Adjusted operating cash conversion [(1)]	124%	94%	+30 ppt
Projected annualised value of new business won in the year	£13m	£9.9m	+31%

1. *Adjustment is for exceptional items related to the Group's IPO and non-continuing and pre-IPO costs.*

Financial highlights:

- Group revenue increased 28% to £45.6 million (2014: £35.6 million)
- Adjusted operating profit up 39% to £15.7 million (2014: £11.3 million)
- Adjusted profit before tax and exceptional items up 79% to £14.5 million (2014: £8.1 million)
- Earnings per share (EPS) at 1.4 pence (2014: 6.1 pence), adjusted and diluted EPS 12.4 pence (2014: 6.3 pence)
- Recommending final dividend per share (DPS) of 5.6 pence, bringing total dividend for the year to 7.0 pence inclusive of the previously paid 1.4 pence interim dividend (2014: 4.9 pence)
- Exceptional items in the period included IPO transaction costs of £6.9 million, IPO related share based payment charges of £2.8 million and finance costs of £2.3 million relating to the write off of loan issuance costs resulting from the restructure at the time of the IPO

Operational highlights

- Listing on the Main Market of the London Stock Exchange in April 2015
- Projected annualised value of new business won in the year of approximately £13 million (2014: £9.9 million)
- Strong pipeline of new business within Sanne's core alternatives focused business divisions (Real Estate, Private Equity and Debt)

Dean Godwin, Chief Executive Officer of Sanne Group plc, said:

"A great deal has been achieved during 2015 which has seen Sanne achieve strong growth across its core business activities while successfully completing an initial public offering on the London Stock Exchange.

Sanne's ongoing strategic focus is to continue building scale in established and emerging markets to be a leading provider of fund administration, corporate administration, fiduciary and reporting services.

The Board sees continued opportunities for growth despite market uncertainty. A healthy level of new business wins in 2015 means there is a strong forward momentum, particularly within those business lines focused on the alternatives markets."

Enquiries:

Sanne Group plc	+44 (0) 1534 722 787
Dean Godwin, Chief Executive Officer	
Spencer Daley, Chief Financial Officer	
Investec Bank plc	+44 (0) 20 7597 5970
Garry Levin / James Ireland	
Josh Levy / Matt Lewis	
Citigate Dewe Rogerson	+44 (0) 20 7638 9571
Caroline Merrell	sanne@citigatedr.co.uk
Nick Hayns	
Michael Russell	

Notes for Editors

About Sanne

Sanne is a specialist global provider of outsourced corporate and fund administration, reporting and fiduciary services.

Established for over 25 years and listed on the Main Market of the London Stock Exchange, Sanne employs approximately 350 people worldwide and administers structures and funds that have in excess of €100 billion of assets.

The Group targets alternative asset markets that have high barriers to entry and require specialist expertise to service. Key clients include alternative asset managers, financial institutions, family offices and corporates.

The Group has a presence in established, international financial centres including Jersey, Guernsey, London, Luxembourg, Dublin, Dubai, Hong Kong, Shanghai and Singapore.

www.sannegroupplc.com

SANNE

Chairman's Statement

2015 overview

2015 was a significant year for Sanne which, in April, successfully listed on the Main Market of the London Stock Exchange. A great deal of effort went into achieving this milestone, recognising as it did, the quality of the business that had been built over recent years.

During the period the Group delivered strong organic revenue and profit growth across its core business divisions while continuing to invest in its operational capabilities and infrastructure in order to maintain a robust platform in support of future performance. The financial discipline demonstrated by the Group ensured that the business continued to deliver impressive operating margins and cash conversion.

Dividend

The Board has adopted a progressive dividend policy. It still expects to retain sufficient capital to fund ongoing operating requirements, an appropriate level of dividend cover and funds to invest in the Group's long term growth.

The Board is recommending a final dividend of 5.6 pence per ordinary share. The final dividend will be payable on 10 May 2016 to shareholders on the register at close of business on 15 April 2016.

Together with the previously paid 2015 interim dividend of 1.4 pence per share, this gives a total dividend for the year of 7.0 pence per share.

Strategy

The Board has worked closely with the Executive to develop a medium term strategy. The strategy builds upon the existing asset and jurisdictional capabilities in order to continue to deliver organic growth. The Group aims to enhance performance with complementary strategic acquisitions in what is a consolidating market and maintains a healthy pipeline of opportunities.

We believe that there is a continuing trend towards the outsourcing of corporate and fund administration activities from asset managers and institutions driven by increasing regulation, cross-border investment and the growing expectation of independent oversight. Furthermore, there remains strong underlying growth trends within the alternatives sector, which has been a particular area of focus for Sanne.

The Group is led by a strong Executive team with a broad range of complementary skills and a deep understanding of the outsourced administration sector. We believe that this team, supported by the next tier of management, is well placed to lead the Group in order to meet its strategic objectives.

Outlook

The Board sees continued opportunities for growth despite market uncertainty. A healthy level of new business wins in 2015 means there is a strong forward momentum, particularly within those business lines focused on the alternatives markets. The Board looks forward to enabling the Group to meet both its organic and inorganic strategic goals.

Rupert Robson
Chairman

Chief Executive's Review

A great deal has been achieved during 2015 which has seen Sanne achieve strong growth across its core business activities while successfully completing an initial public offering on the London Stock Exchange.

Summary of 2015 financial performance

We continued to grow with strong performance across the business divisions which resulted in revenues growing by £10.1 million during the period (2014: *£9.6 million*). By maintaining a consistent level of staff utilisation we were able to grow gross profit in line with revenue resulting in adjusted operating profit before tax of £15.7 million (2014: £11.3 million). This performance, coupled with a focused investment in the operating platform and infrastructure, has meant that margins have risen with the adjusted operating profit margin for the full year at 34% compared to 32% in 2014.

During the reporting period the Group secured new business totalling approximately £13 million on a projected annualised fee basis which compares with circa £9.9 million of annualised fees won during the same period in 2014. Of this, approximately £6.7 million was from new clients to Sanne and it is hoped further revenues can be generated over time as these mandates are broadened across a wider range of services. The full revenue impact of many of these new structures will continue to increase into 2016 as implementation is completed.

Key events in 2015

On 1 April 2015 the Company listed on the Main Market of the London Stock Exchange marking a new chapter in the Group's history. The successful listing has provided the Group with a stable capital base on which to progress further its objective of building scale in established and emerging markets across all business lines.

The Group has continued expanding its service provision through the development of new reporting services, and the roll out of capabilities across the existing global network and operating platform. Examples of this include the development of regulatory reporting services in response to the US Foreign Account Tax Compliance Act (FATCA) and the European Alternative Investment Fund Managers Directive (AIFMD) Annex IV requirements where Sanne is working with clients to deliver multi-jurisdictional reporting solutions.

Performance in the period reflects the conversion of a strong pipeline of new business from existing and new clients across all core asset classes as well as delivering the full revenue impact of new structures secured in 2014. We have invested in staff at both a senior and operational level to ensure new work can be serviced effectively, particularly in fast growing divisions such as Real Estate and Debt. We have also strengthened our capabilities at a Group level to keep pace with the needs of the business, particularly in key control functions such as risk and compliance.

We have continued to recruit in operational centres outside of our Jersey headquarters as the Group expands its service offering and client base globally. In London, new office premises have been taken on to support this expansion and provide space for further recruitment. We also continue to evaluate alternative service centres to deliver operational leverage and offer new jurisdictional opportunities.

Acquisitions

The Group is committed to undertaking acquisitions which assist with the delivery of strategic objectives and we have reviewed a range of opportunities during the period.

Since the year end the Group has acquired Chartered Corporate Services ("CCS"), a Dublin-based corporate services business that specialises in the delivery of company secretarial, liquidations, payroll and VAT reporting services. CCS will complement our existing operations in Ireland, delivering additional scale and product capabilities across our corporate and institutional service offering and demonstrating a commitment to acquiring businesses that support existing growth opportunities and deliver greater jurisdictional and product diversity.

Sanne has also recently entered into an agreement to acquire IDS Fund Services, an independent company headquartered in South Africa, which provides outsourced investment administration services to the asset management industry, particularly focused on hedge fund clients.

The acquisition of IDS broadens Sanne's alternative asset capabilities through the delivery of a hedge platform which can be leveraged across the wider group network and delivers a new addressable market in South Africa. The acquisition also offers a lower cost operational platform that can be leveraged across the Group. The deal is expected to complete towards the end the second quarter of 2016.

Employees

As a people business, the strength and depth of Sanne's management teams and employees is a core contributor to the Group's success. Our employees remain core to the quality of the service offering to clients and we will continue to recruit high calibre individuals as we grow. We are committed to encouraging employees to continue with their professional development both through recognised qualification routes as well as continuous, industry specific learning programmes.

We are also committed to developing the employee value proposition to ensure that Sanne is recognised as nurturing a positive and supportive working environment which recognises and rewards individual and collective performance.

Focus

Sanne's ongoing strategic focus is to continue building scale in established and emerging markets to be a leading provider of fund administration, corporate administration and reporting services.

We will continue to invest in people and infrastructure in support of our strategic objectives while maintaining the financial discipline required to sustain our operating profit margin.

We will focus on delivering organic growth while also evaluating acquisition opportunities that enable us to deepen existing asset capabilities, broaden the product offering and deliver greater jurisdictional diversification through operational scale in existing offices as well as entering new markets.

There is strong momentum in the business and I am very excited to be working alongside my colleagues across the Group to continue to invest in and build a business model which can deliver sustainable growth.

Dean Godwin
Chief Executive Officer

Strategy Review

Business model

As of 31 December 2015, operations are focused on seven principal areas; Debt, Real Estate, Private Equity, Corporate and Institutional, Executive Incentives, Private Client and Treasury. These operations span the Group's international footprint with Jersey providing the location of its headquarters. Core services include general administration, financial reporting, governance, regulatory services, investor services and treasury services.

Client teams are spread over geographies to ensure continuity of service and client relationships. Since each business division operates across some or all of the Group's locations, the Group does not have a geographic management structure.

In the alternative product space, the Group believes that its ability to win new work and retain existing clients is demonstrative of its ability to provide the high touch and customised services that alternative asset managers require. In addition, structures within the alternatives space tend to be more bespoke in nature which makes automation challenging and reinforces the need for the type of tailored solutions that the Group's qualified and experienced staff are able to provide.

Although Sanne's contracts with its clients are typically terminable by either party given three months' written notice as a practical matter, once an outsourced service provider is contracted to support and administer a structure it is rare that they are replaced before the end of the structure's life.

The Group has a predominantly institutional client base which is well-diversified, with only two clients accounting for more than 5% each of normalised revenue (5.9% and 5.6% respectively). Furthermore, the top 10 clients accounted for less than 29% of revenue in the financial year ended 31 December 2015. Clients of the Debt, Real Estate and Private Equity divisions are predominantly institutions focused on alternative asset classes; Executive Incentives clients are typically corporates; clients of the Private Client division are generally ultra-high net worth individuals and families; and the Corporate and Institutional division covers the remaining corporate and institutional client base.

The majority of the Group's clients are corporate or institutional. In total, Sanne has approximately 600 clients and services approaching 3,200 structures.

Strategy

The Group's growth strategy is both organic and inorganic which is reflected in its successful growth track record in recent years. New business driving economic growth is sourced both from capturing increased revenue from existing clients as they introduce new structures and use the Group for additional services and from new client relationships.

The strategic focus of the Group is to continue building scale in established and emerging markets to become a leading specialist in alternative fund administration, corporate administration, fiduciary and reporting services. The Group will continue to focus on building its client base of institutional corporates, institutional fund managers and institutionally minded family offices.

Recent acquisitions since the end of 2015 in Ireland and South Africa demonstrate the Group's commitment to an organic strategy complemented by targeted acquisitions.

Divisional review – Debt

Revenues for the year ending 31 December 2015 were £13.8 million (12 months to December 2014 on a pro forma basis: £11.5 million) with a gross profit of £9.4 million (2014: £7.2 million). The division has focused on maintaining its strong market position in the provision of administration services to non-bank lenders including peer-to-peer lenders and asset managers. The division has also seen a strong pipeline of loan agency business across a range of institutional clients. Operational capabilities have been increased in London and Dublin to reflect new work flows and this is enabling further business development opportunities driven by an ability to deliver services across a wider geographic footprint.

Divisional review – Real Estate

Revenues for the year ending 31 December 2015 were £10.2 million (12 months to December 2014 on a pro forma basis: £6.3 million) with a gross profit of £6.4 million (2014: £3.7 million). There have been new business wins from new and existing clients as the UK real estate market continues to attract significant investment. New client mandates are also being driven by a trend for fund managers to outsource non-core roles such as accounting back-office. A new funds platform has been implemented in the division which will enhance Sanne's administration capabilities and service clients' increasing reporting requirements. Recruitment continues in key operational centres (Jersey, London and Luxembourg) to service new work and create capacity to grow existing relationships.

Divisional review – Private Equity

Revenues for the year ending 31 December 2015 were £6.6 million (12 months to December 2014 on a pro forma basis: £4.2 million) with a gross profit of £3.9 million (2014: £2.1 million). A number of large mandates for new clients were secured during the period reflecting a strong service proposition and better alignment with the private equity manager community supported by a growth in fund raising. The funds platform continues to be enhanced to deliver more efficient service and reporting to clients across the division and enhanced client reporting will continue to be developed to meet the requirements of key service relationships. The division continues to invest in its platform in Asia and Luxembourg to drive future growth.

Divisional review – Corporate and Institutional

Revenues for the year ending 31 December 2015 were £4 million (12 months to December 2014 on a pro forma basis: £4 million) with a gross profit of £2.6 million (2014: £2.6 million). During this period there has been a continued focus on developing a distinct product suite not only suitable to those clients directly serviced through this business division but also for selling across all business divisions. Examples include the development of regulatory reporting services to meet the specific requirements of FATCA and AIFMD Annex IV reporting. Furthermore, there has been continuing investment in Sanne's depositary service proposition delivered from an operational base in the UK (where Sanne is regulated to provide such a service) to be promoted across the alternatives focused business divisions.

Divisional review – Executive Incentives

Revenues for the year ending 31 December 2015 were £4.8 million (12 months to December 2014 on a pro forma basis: £4.1 million) with a gross profit of £3.4 million (2014: £2.8 million). The division continues to position itself as a leading provider of specialist trustee services to employee share trusts and associated administration services. The division often works in partnership with other large UK based share plan administration businesses to deliver best of breed service solutions to clients and this approach has ensured that they have been able to increase their share of the UK listed companies market. Further initiatives are underway to identify cross selling opportunities across the wider Group's client base.

Divisional review – Private Client

Revenues for the year ending 31 December 2015 were £5.8 million (12 months to December 2014 on a pro forma basis: £5.4 million) with a gross profit of £3.9 million (2014: £3.7 million). There have been a number of significant client wins which ensure the continued development of the division around outsourced family office services which enables the division to build specialist capabilities around a targeted ultra-high-net-worth private client base. The division has benefited from the recruitment of experienced resource from institutional providers which continues to drive further business development opportunities.

Divisional review – Treasury

The Group has invested in its treasury function which continues to work closely with the business divisions to deliver competitive foreign exchange and treasury management services to client structures. Services are focused on improving diversification and management of risk through diversification of deposits across a range of approved banks and enhancing returns through active treasury management asset pooling as well as providing foreign exchange transaction services.

Revenues for the year ending 31 December 2015 were £0.4 million with a gross profit of £0.1 million. Reported as a separate business division for the first time in 2015, the team have successfully engaged with clients across the Group and it is anticipated that this will continue to grow as strategic relationships are built with banking providers.

Financial Review

Group results

Reflecting its successful growth strategy, the Group delivered a strong operating performance during the year, with Group revenues increasing by 28% to £45.6 million (2014: £35.6m).

Operating profit margin (before exceptional costs) has increased by 2.7% to 34.4% (2014: 31.7%) during the year, reflecting the Group's growth in revenues and controlled overhead. Operating profit before exceptional costs has increased by 39% during the year to £15.7 million (2014: £11.3 million). Exceptional costs related primarily to the costs associated with the Group listing and share based payments totalling £9.8 million and reduced the Group operating profit to £5.9 million (2014: £11.0 million).

Net finance expense

Finance costs were £3.4 million for the year. The Group repaid its previous debt facility at listing and as a consequence £2.3 million of loan issuance costs were written off and are included in the £3.4 million net finance costs.

Taxation

The Group's effective tax rate for the year was skewed by the costs of the IPO.

Adjusting for the tax non-deductible exceptional items gives a Group normalised effective rate of 16.7% (2014: 16.1%) being the blended rate of the jurisdictions in which the Group operates.

Earnings per share

Earnings per share before exceptional items were 12.4 pence (2014: 6.3 pence) whilst earnings per share after exceptional items were 1.4 pence (2014: 6.1 pence).

Statement of financial position and net funds

During the year the Group successfully rolled out a new time recording and customer billing system. As a result of this the Group has been able to make efficiencies in the invoicing process, enabling improvement in the working capital cycle. Invoices relating to Q4 2015 were raised and processed in December 2015, by contrast the Customer invoices billed and relating to Q4 2014 were raised and processed in January 2015. This change has impacted on the make-up of the working capital of the Group presented in the financial statements. Comparisons of working capital should therefore be considered upon the total of trade receivables, accrued income and deferred revenue, which despite the increase in revenue of 28% has remained level at £11.8 million year on year. This reflects the continued importance given to the management of the working capital cycle by the Group.

The Group generated net cash flows from operating activities of £11.3 million in the year (2014: £9.2 million) contributing to closing net funds of £1.2 million (2014: net debt £33.6 million). Cash conversion, adjusted for the impact of exceptional items remains strong at 124% (2014: 94%).

The listing on 1 April 2015 included the issue of 14 million shares for consideration in cash which raised approximately £27 million of funds for the Group. This cash, alongside existing cash reserves and a new debt facility of £18 million, was used to meet the expenses of listing and also to repay the Group's previous debt facility of £45 million.

Sanne Group plc
Consolidated Income Statement
For the year ended 31 December 2015

	Notes	**2015 £ 000's**	2014 £ 000's
Revenue		**45,638**	35,583
Direct costs		**(15,981)**	(13,429)
Gross profit	6	**29,657**	**22,154**
Other operating income		**129**	264
Operating expenses		**(23,867)**	(11,426)
Operating profit		**5,919**	**10,992**
Exceptional items included within operating expenses	9	**(9,777)**	(277)
Operating profit before exceptional items		**15,696**	11,269
Other gains and losses		**(145)**	10
Finance costs	7	**(3,410)**	(3,241)
Finance income	8	**49**	71
Profit before tax		**2,413**	**7,832**
Exceptional items included within operating expenses and finance costs	9	**(12,068)**	(277)
Profit before tax and exceptional items		**14,481**	8,109
Tax	10	**(849)**	(1,657)
Profit for the year		**1,564**	**6,175**
Earnings per share ("EPS") per ordinary share (expressed in pence per ordinary share)			
Basic & diluted	11	**1.4**	6.1
Adjusted basic & diluted	11	**12.4**	6.3

All profits in the current and preceding year are derived from continuing operations.

The notes are an integral part of these Consolidated Financial Statements.

Sanne Group plc
Consolidated Statement of Comprehensive Income
For the year ended 31 December 2015

	Notes	**2015 £ 000's**	2014 £ 000's
Profit for the year		**1,564**	**6,175**
Other comprehensive income:			
Items that may be reclassified subsequently to profit and loss:			
Exchange differences on translation of foreign operations		**(36)**	(184)
Total comprehensive income for the year		**1,528**	**5,991**

The notes are an integral part of these Consolidated Financial Statements.

SANNE

Sanne Group plc
Consolidated Balance Sheet
As at 31 December 2015

	Notes	**2015 £ 000's**	2014 £ 000's
Assets			
Non-current assets			
Intangible assets	14	**7,712**	9,385
Equipment	15	**1,647**	1,774
Total non-current assets		**9,359**	**11,159**
Current assets			
Trade and other receivables	17	**18,549**	5,933
Cash and bank balances		**19,445**	12,591
Accrued income		**1,069**	8,446
Total current assets		**39,063**	**26,970**
Total assets		**48,422**	**38,129**
Equity			
Share capital	20	**1,130**	50
Share premium	20	**44,770**	–
Own shares	21	**(122)**	–
Retranslation reserve		**(220)**	(184)
Retained earnings		**(26,573)**	(29,286)
Total equity		**18,985**	**(29,420)**
Non-current liabilities			
Preference shares		**–**	18,939
Borrowings		**17,695**	42,630
Total non-current liabilities	22	**17,695**	**61,569**
Current liabilities			
Trade and other payables	23	**3,211**	2,677
Current tax liabilities		**1,383**	1,591
Provisions	24	**134**	–
Deferred revenue	25	**7,014**	1,712
Total current liabilities		**11,742**	**5,980**
Total equity and liabilities		**48,422**	**38,129**

The notes are an integral part of these Consolidated Financial Statements.

SANNE

Sanne Group plc
Consolidated Statement of Changes in Equity
As at 31 December 2015

	Notes	Share capital £000's	Share premium £000's	Own shares £000's	Retranslation reserve £000's	Retained earnings £000's	Total equity £000's
Balance at 1 January 2014		**51**	**–**	**–**	**–**	**4,186**	**4,237**
Profit for the year		–	–	–	–	6,175	6,175
Other comprehensive income for the year		–	–	–	(184)	–	(184)
Total comprehensive income for the year		**–**	**–**	**–**	**(184)**	**6,175**	**5,991**
Premium on redemption of share capital		–	–	–	–	(34,954)	(34,954)
Dividends		–	–	–	–	(4,951)	(4,951)
Own shares acquired in the year		(1)	–	–	–	–	(1)
Share based payments		–	–	–	–	258	258
Balance at 31 December 2014		**50**	**–**	**–**	**(184)**	**(29,286)**	**(29,420)**
Profit for the year		–	–	–	–	1,564	1,564
Other comprehensive income for the year		–	–	–	(36)	–	(36)
Total comprehensive income for the year		**–**	**–**	**–**	**(36)**	**1,564**	**1,528**
Issue of share capital (SHL)	20	22					22
Conversion of Preference shares (SHL)	20	18,899	–	–	–	–	18,899
Own shares acquired in the year (SHL)	20	(18,971)	–	–	–	–	(18,971)
Issue of share capital	20	1,133	45,836	–	–	–	46,969
Cost of share issuance	20	–	(1,066)	–		–	(1,066)
Dividend payments	13	–	–	–	–	(1,579)	(1,579)
Share-based payment transactions	26	–	–	–	–	2,728	2,728
Net buyback of own shares (SGPLC)	21	(3)	–	(122)	–	–	(125)
Balance at 31 December 2015		**1,130**	**44,770**	**(122)**	**(220)**	**(26,573)**	**18,985**

Sanne Group plc
Consolidated Cash Flow Statement
For the year ended 31 December 2015

	Notes	**2015 £ 000's**	2014 £ 000's
Operating profit		**5,919**	**10,992**
Adjustments for:			
Depreciation of equipment		861	625
Amortisation of intangible assets		1,611	1,546
Share-based payment expense		2,736	258
Disposal of equipment		6	6
Increase in provisions		134	-
Operating cash flows before movements in working capital		**11,267**	**13,427**
Increase in receivables		(5,239)	(3,909)
Increase in deferred revenue		5,302	19
Increase in payables		1,066	799
Cash generated by operations		**12,396**	**10,336**
Income taxes paid		(1,057)	(1,088)
Net cash from operating activities		**11,339**	**9,248**
Investing activities			
Interest received		49	81
Purchases of equipment		(741)	(1,365)
Acquisition of subsidiaries		-	(1,728)
Net cash used in investing activities		**(692)**	**(3,012)**
Financing activities			
Dividends paid		(1,579)	(4,605)
Premium on redemption of share capital		-	(34,954)
Interest paid on preference shares		(256)	(1,036)
Interest on bank loan		(1,271)	(1,810)
Proceeds on issue of shares	20	28,056	-
Costs of share issuance	20	(1,066)	-
Proceeds on issue of preference shares		-	10,550
Redemption of preference shares		-	(13,173)
Redemption of ordinary shares		(178)	(15)
Redemption of bank loans		(45,000)	-
New bank loans raised		17,627	42,380
Net cash used in financing activities		**(3,667)**	**(2,663)**
Net increase in cash and cash equivalents		**6,980**	**3,573**
Cash and cash equivalents at beginning of year		**12,591**	**9,202**
Effect of foreign exchange rate changes		(126)	(184)
Cash and cash equivalents at end of year		19,445	12,591

Sanne Group plc
Notes to the consolidated financial statements
For the year ended 31 December 2015

1. General information

Sanne Group plc (formerly Album group plc) (the "Company"), incorporated in Jersey on 26 January 2015, is a registered public company limited by shares with a Premium Listing on the London Stock Exchange. The registered office and principal place of business is 13 Castle Street, St Helier, Jersey. The principal activity of the Company and its subsidiaries (collectively the "Group") is fund, company and trust administration.

In the opinion of the Directors there is no ultimate controlling party.

These financial statements are presented in pounds sterling as that is the currency of the primary economic environment in which the majority of the Group companies operate. Foreign operations are included in accordance with the policies set out in note 3.

2. Adoption of new and revised Standards

At the date of authorisation of these consolidated financial statements the following standards and interpretations, which have not been applied in these consolidated financial statements, were in issue but not yet effective:

Standard	Effective date
• IFRS 9 Financial Instruments	1 January 2018
• IFRS 11 (amendments) Accounting for Acquisitions of Interests in Joint Operations	1 January 2016
• IAS 16 and IAS 38 (amendments) Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
• IFRS 14 Regulatory Deferral Accounts	1 January 2016
• IFRS 15 Revenue from Contracts with Customers	1 January 2018
• IFRS 10 and IAS 28 (amendments) Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	1 January 2016
• IAS 27 (amendments) Equity Method in Separate Financial Statements	1 January 2016
• IAS 1 (amendments) Disclosure Initiative	1 January 2016
• IFRS 10 IFRS 12 IAS 28 (amendments)	1 January 2016
• Annual improvements to IFRS: 2012-2014 Cycle	1 January 2016
• IFRS 16 Leases	1 January 2019

The directors of the Company (the "Directors") do not expect that the adoption of the standards listed above will have an impact on the financial statements of the Group in future years, except as follows:

- IFRS 9 will impact both the measurement and disclosures of Financial Instruments.
- IFRS 15 will impact revenue recognition from clients.
- IFRS 16 will impact the accounting treatment of leases entered into.

Beyond the information above, it is not practicable to provide a reasonable estimate of the effect of these standards until a detailed review has been completed, although the Directors feel it will not be material to reported results.

In the current year, the Group applied a number of amendments to IFRSs and new Interpretation issued by the International Accounting Standards Board ("IASB") that are mandatorily effective for an accounting period that begins on or after 1 January 2015. Their adoption has not had any material impact on the disclosure or on the amounts reported in these financial statements.

3. Significant accounting policies

Basis of preparation

On 1 April 2015, the Company obtained control of the entire share capital of Sanne Holdings Limited ("SHL") via a share exchange, and thus control of the Group. There were no changes in rights or proportion of control exercised as a result of this transaction.

Although the share exchange resulted in a change of legal ownership, in substance these financial statements reflect the continuation of the pre-existing group, formally headed by SHL which is not considered a Business Combination under IFRS3. As a result, the comparatives for 31 December 2014 presented in these financial statements are the consolidated results of SHL. For the impact on the earnings per share see note 11.

The consolidated balance sheet at 31 December 2014 reflects the share capital structure of SHL. The consolidated balance sheet at 31 December 2015 presents the legal change in ownership of the Group, including the share capital of Sanne Group plc and the effects of the share exchange transactions.

Basis of accounting

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have also been prepared in accordance with IFRSs as issued by the IASB.

The financial statements have been prepared on the historical cost basis with fair value being applied to derivative financial instruments. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. The principal accounting policies adopted are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) during each year. Control is achieved where the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial results of the subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Under Article 105(11) of the Companies (Jersey) Law 1991, the Directors of a holding company need not prepare separate financial statements (i.e. Company only financial statements). Consolidated financial statements for the Company are not prepared unless required to so by the members of the Company by ordinary resolution. The members of the Company had not passed a resolution requiring separate financial statements and, in the Directors' opinion, the Company meets the definition of a Holding company. As permitted by law, the Directors have elected not to prepare separate financial statements.

Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Directors have reviewed the Group's financial projections and cash flow forecasts and believe, based on those projections and forecasts, that it is appropriate to prepare the consolidated financial statements of the Group on the going concern basis. Accordingly, they have adopted the going concern basis of accounting in preparing the consolidated financial statements.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

The acquiree's identifiable assets and liabilities that meet the conditions for recognition under IFRS 3 (2008) are recognised at their fair value at the acquisition date.

The transactions that saw the Company obtain control of the Group were dealt with as a group reconstruction outside the scope of IFRS 3: Business combinations.

Intangible assets

Intangible assets acquired in a business combination are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, separately intangible assets acquired in a business combination are reported at costs less accumulated amortisation and any impairment losses.

Contract intangibles

Contract intangibles consist of the recognition of the legal relationships gained through acquisition. On initial recognition the values are determined by relevant factors such as business product life-cycles, length of notice, ease of movement and general attrition.

This class of intangibles are amortised over their useful lives using the straight-line method, which is estimated at seven years, based on management's expectations and client experience. The amortisation charge for the year is included in the consolidated income statement under 'operating expenses'.

Customer intangibles

Customer intangibles consists of the recognition of value attributed to the customer lists through acquisition. On initial recognition the values are determined by relevant factors such as the Company's growth pattern and ability to cross-sell to existing clients. Subsequently, this class of intangibles are amortised over their useful lives using the straight-line method, which is estimated at ten years, based on management's expectations and client experience. The amortisation charge for the year is included in the consolidated income statement under 'operating expenses'.

Interest income

Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes.

Rendering of services

Revenue is recognised in the consolidated statement of comprehensive income at the point in time when the Group has the right to receive payment for its services, on an accruals basis.

Accrued income

Accrued income represents the billable provision of services to clients which has not been invoiced at the reporting date.

Accrued income is recorded based on agreed fees billed in arrears and time based charges at the agreed charge out rates in force at the work date, less any specific provisions against the value of accrued income where recovery will not be made in full.

Deferred revenue

Fees in advance and up-front fees in respect of services due under contract are time apportioned to the respective accounting periods, and those billed but not yet earned are included in deferred revenue in the consolidated balance sheet.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

In the event that lease incentives are received on entering into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in pounds sterling, which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the year in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's operations with a functional currency other than pounds sterling are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during that year, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity in the translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss.

Earnings per share

The Group presents basic and diluted earnings per share. In calculating the weighted average number of shares outstanding during the period any share restructuring is adjusted by a factor to make it comparable with the other periods.

Taxation

Tax on the profit or loss for the period comprises current and deferred tax.

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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is accounted for using the balance sheet liability method which represents the temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and tax purposes. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

Equipment

Equipment is stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method, on the following bases:

Computer equipment	25% to 33% per annum
Fixtures and equipment	20% per annum

The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

Impairment of tangible and intangible assets

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's balance sheet when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

All financial assets are recognised and derecognised on a trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value.

All financial assets, other than cash and cash equivalents and derivatives, are classified as 'loans and receivables'.

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

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

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each balance sheet 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 of the investment have been affected.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered irrecoverable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Financial liabilities and equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

Financial liabilities are classified as either financial liabilities at Fair Value through Profit and Loss 'FVTPL' or 'other financial liabilities'. The Group does not hold any financial liabilities at FVTPL.

Other financial liabilities

Other financial liabilities, including borrowings and preference shares, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter year, to the net carrying amount on initial recognition. Preference shares were typically redeemed as soon as cash is available and on this basis the interest was expensed on a straight-line basis. The Group has no preference shares at 31 December 2015.

Accrued interest is recorded separately from the associated borrowings within current liabilities.

Derivative financial instruments and embedded derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in profit or loss immediately.

Derivatives embedded in other financial instruments are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL. An embedded derivative is presented as a non-current asset or non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative relates is more than 12 months and is not expected to be realised or settled within 12 months.

Own shares

Own shares represent the shares of the Company that are held in treasury or by employee share ownership trusts. Own shares are recorded at cost and deducted from equity. When shares vest unconditionally, are cancelled or are reissued they are transferred from the own shares reserve at their weighted average cost.

Provisions

Provisions are recognised when the group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by the expected future cash flows at a pre-tax rate that reflects current market assessments of the risks specific to the liability. Onerous lease provisions are measured at the lower of the net cost to fulfil, or to exit the contract, discounted as appropriate.

Fiduciary activities

The assets and liabilities of trusts and companies under administration and held in a fiduciary capacity are not included in these consolidated financial statements.

Share-based payments

Sanne Holdings Limited

Employees (including senior executives) of the Group received remuneration in the form of share-based payment transactions, whereby eligible employees render services as consideration for equity instruments (equity settled transactions). The issuance was immediate but subject to a five year call option on the equity, considered to be a vesting period.

The cost of equity-settled transactions is recognised in operating expenses, together with a corresponding increase in retained earnings, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in operating expenses. The equity settled transactions are fair valued at the grant date and the expense recognised over the duration of the vesting period.

The remaining value of all SHL share awards were fully amortised ahead of the completion of the initial placement offering ("IPO") upon their exchange for ordinary shares in Sanne Group plc on 1 April 2015.

Sanne Group plc – share gift

In recognition of their efforts in bringing the company to the main market of the London Stock Exchange, shares were gifted to employees. This was viewed as an equity settled share-based payment and the gifts were measured at fair value at the date of grant, being the market value. The shares had no vesting period and were fully expensed upon grant to operating expenses. See note 26.

Exceptional items

Exceptional items are disclosed and described separately in the consolidated financial statements where it is necessary to do so to provide a better understanding of the financial performance of the Group. Further detail of the nature of exceptional items are given in note 9.

Direct costs

Direct costs are defined by management as the costs of the income generating divisions including staff payroll, marketing and travel attributable to the division in relation to the delivery of services and supporting growth.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in note 3, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the critical judgements and estimation uncertainty at the balance sheet date that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Revenue recognition and accrued income

The Group recognises accrued income within revenue and as a receivable for amounts that remain unbilled at the year end, recorded at the recoverable amount. The recoverable amount of accrued income is assessed on an individual basis using the judgment of management, and takes into account an assessment of the client's financial position, the aged profile of the accrued income and an assessment of historical recovery rates.

Initial recognition and useful life of intangible assets

The Group's management team have assessed each acquisition in the consolidated financial statement period to identify the intangible assets that were acquired in each transaction that qualify for separate recognition.

The valuation method used to value contract and customer intangibles is a multi-period excess earnings method. The intangibles are amortised over their useful economic life ("UEL"). For the contract intangibles, UEL has been assessed to be seven years which has been estimated as the average period for which services are typically provided to contracted client entities. For the customer intangibles, UEL has been assessed to be ten years.

Evaluation of impairment of intangible assets

The group actively looks for signs of impairment by reviewing the financial performance of the acquired books of business. While every effort is made to evaluate it correctly there is a high level of judgement in the original and continuing assumptions that underpin the values. In making its judgement management considers income generated against the original business case, internal and external factors effecting economic life and growth assumptions. No signs of impairment were detected and no value in use calculations were performed.

The carrying value of intangible assets at 31 December 2015 was £7,712k (2014: £9,385k).

Trade and other receivables

Sanne provides services to customers on credit terms with a mix of advance and arrears billing. Certain debts due to the Company will not be paid due to the default of a small number of our customers. Our estimates of doubtful debts, based on our historical experience, are used in determining the level of debts that we believe will not be collected. These estimates consider significant indicators of their recoverability being insolvency/closure, customer liquidity and general creditworthiness issues as identified by management.

Provisions

The Company has identified an unrequired property, although efforts are being made to sub-let this space, it has not been possible to date. Estimates have been made of the cost of vacant possession may subsequently be adjusted for any income arising from any sub-lease or reassignment if new tenants are found. With only the net shortfall recognised as a provision.

IPO transaction reporting

The process of listing and the share transactions that bought the Company into the Group gave rise to legal and accounting complexities. Judgement was called for in allocation of costs between share issuance and operating expenses. Redemption of the different share classes and crystallisations of share based payments and the requirements to refinance the loan position also gave rise to complexities.

A summary of the transaction can be seen in note 20.

5. Significant events and transactions

On 1 April 2015, the Company was successfully admitted to the London Stock Exchange achieving a premium listing for Ordinary shares at £2.00 per share with 102,000,000 share allocated to the existing owners. The placement of 14,000,000 new ordinary share raised £27 million (net of costs) which the Company used to repay the loan financing see note 22.

6. Segmental reporting

All divisions engage in trust and corporate administration, declared revenue is generated from external customers.

The Group has seven reportable segments under IFRS 8: Private Equity, Debt, Real Estate, Corporate and Institutional, Executive Incentives, Private Client, and Treasury following the business service lines representing its main services and type of customers. Businesses acquired named Delorean and Ariel are now fully integrated having restated the positions in prior years to aid comparison. No customer represents more than 10% of revenue.

The chief operating decision maker has been identified as the board of directors. Each segment is defined as a set of business activities generating a revenue stream determined by divisional responsibility and the management information reviewed by the board of directors. The board evaluates segmental performance on the basis of gross profit, after the deduction of direct costs of staff and marketing and travel.

For the year ended 31 December 2015	**Debt £000's**	**Real Estate £000's**	**Private Equity £000's**	**Corporate and Institutional £000's**	**Executive Incentives £000's**	**Private Client £000's**	**Treasury £000's**	**Total £000's**
Revenue	13,835	10,177	6,567	4,026	4,764	5,846	423	45,638
Direct costs	(4,424)	(3,789)	(2,630)	(1,468)	(1,373)	(1,932)	(365)	(15,981)
Gross profit	**9,411**	**6,388**	**3,937**	**2,558**	**3,391**	**3,914**	**58**	**29,657**
	68%	63%	60%	64%	71%	67%	14%	65%
Other operating income								129
Operating expenses								(23,867)
Operating profit								**5,919**

For the year ended 31 December 2014	Debt £000's	Real Estate £000's	Private Equity £000's	Corporate and Institutional £000's	Executive Incentives £000's	Private Client £000's	Other^ £000's	Total £000's
Revenue	11,522	6,286	4,187	3,958	4,137	5,352	141	35,583
Direct costs	(4,296)	(2,598)	(2,088)	(1,333)	(1,374)	(1,681)	(59)	(13,429)
Gross profit	**7,226**	**3,688**	**2,099**	**2,625**	**2,763**	**3,671**	**82**	**22,154**
	63%	59%	50%	66%	67%	69%	58%	62%
Other operating income								264
Operating expenses								(11,426)
Operating profit								**10,992**

^ Revenue and costs from all other activities is aggregated in and included in "Other".

Geographical information

The Group's revenue from external customers by geographical location of contracting Group entity is detailed below:

	2015 £ 000's	2014 £ 000's
Jersey	**32,116**	27,311
Rest of Europe	**12,693**	8,206
Rest of world	**829**	66
Total revenue	**45,638**	**35,583**

7. Finance costs

	2015 £ 000's	2014 £ 000's
ICG Interest	**624**	1,675
ICG amortised loan fees:		
- amortised	**94**	250
- expensed on loan redemption (note 9)	**2,291**	–
HSBC interest	**348**	–
HSBC amortised loan fees	**53**	–
Movement in the fair value of interest rate cap	**–**	135
Interest on preference shares (note 22)	**–**	1,181
Total finance costs	**3,410**	**3,241**

During the year the loan from Intermediate Capital Group ("ICG") was repaid and refinancing undertaken with HSBC. Details can be found in note 22.

8. Finance income

	2015 £ 000's	2014 £ 000's
Interest income on bank deposits	**49**	**71**

9. Exceptional items

	2015 £ 000's	2014 £ 000's
Within operational expenses:		
Initial Public Offering ("IPO") (i)	**6,870**	–
Share Based Payment (ii)	**2,770**	–
Other (iii)	**137**	277
	9,777	277
Within finance costs:		
Loan restructuring (iv)	**2,291**	–
Total exceptional items	**12,068**	**277**

The above reflect expenses which are not representative of underlying performance.

(i) In the period ended 31 December 2015, the Group expensed fees relating to the IPO of £6,870k.

(ii) The shared based payments includes £1,810k acceleration of SHL charges due to the IPO. The one-off share gift resulted in a charge of £926k with a £34k charge in respect of employers social security charges, see note 26.

(iii) The other current year items include the costs of prospective acquisitions and prior year numbers relate to acquisition costs incurred in the Delorean and Ariel acquisitions.

(iv) As part of the restructure at the time of the IPO, loan issuance costs of £2,291k were written off, see note 22.

10. Tax

	2015 £ 000's	2014 £ 000's
The tax charge comprises:		
Current period:		
Jersey income tax	**806**	1,215
Other foreign tax	**417**	442
Total current tax	**1,223**	1,657
Adjustments in respect for prior periods:		
Jersey income tax	**(293)**	–
Other foreign tax	**(80)**	–
Tax on profit on ordinary activities	**849**	**1,657**

The difference between the total current tax shown above and the amount calculated by applying the standard rate of Jersey income tax to the profit before tax is as follows:

	2015 £ 000's	2014 £ 000's
Profit on ordinary activities before tax	**2,413**	**7,832**
Tax on profit on ordinary activities at standard Jersey income tax rate for financial services companies of 10% (2014: 10%)	**241**	783
Effects of:		
Expenses not deductible for tax purposes	**564**	230
Non-deductible amortisation	**183**	155
Depreciation in excess of capital allowances	**43**	–
Net foreign exchange income	**(27)**	1
Non-deductible charitable donations	**–**	–
Foreign taxes not at Jersey rate	**218**	488
Prior year adjustments	**(373)**	–
Total current tax	**849**	**1,657**

Income tax expense computations are based on the jurisdictions in which profits were earned at prevailing rates in the respective jurisdictions.

The Company is subject to Jersey income tax at the standard rate of 0% however, the majority of the Group's profits are reported by Sanne Fiduciary Services Limited, a Jersey incorporated trading company whose principal activity is provision of trust, fund and company administration. Sanne Fiduciary Services Limited is therefore subject to Jersey income tax at the rate applicable to financial services companies of 10%.

Reconciliation of effective tax rates	**2015 £ 000's**	2014 £ 000's
As per Consolidated income statement:		
Tax charge	**849**	1,657
Profit before tax	**2,413**	7,832
Effective tax rate	***35.2%***	*21.2%*
Adjusted for:		
Tax charge	**849**	1,657
Prior period adjustments	**373**	(373)
Tax charge for the year	**1,222**	1,284
Profit before tax	**2,413**	7,832
Exceptional items	**12,068**	277
Profit before tax and exceptional items	**14,481**	8,109
Less exceptional items deductible for tax purposes		
Deductible Acquisition costs	**–**	(117)
Deductible IPO costs	**(2,103)**	–
Loan restructuring	**(2,291)**	–
Share based payments	**(2,770)**	–
Normalised profit subject to tax	**7,317**	**7,992**
Normalised effective tax rate	***16.7%***	***16.1%***

11. Earnings per share

	2015 £ 000's	2014 £ 000's
Profit for the period	**1,564**	**6,175**
Non-underlying items:		
Exceptional operating expenses	**9,777**	277
Exceptional finance costs	**2,291**	–
Adjusted earnings	**13,632**	**6,452**

	2015	2014
Weighted average numbers of ordinary shares in issue	**109,496,601**	102,000,000
Basic and diluted earnings (pence)	**1.4**	6.1
Adjusted earnings per share (pence)	**12.4**	6.3

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders by the weighted normalised average number of ordinary shares outstanding during the period.

As explained the Group's financial statements reflect the continuation of the pre-existing group previously headed by Sanne Holdings Limited. To aid comparability following the Group's reconstruction and share reorganisation the number of ordinary shares issued to the original shareholders has been used to best indicate the share capital in existence at that time and provide earnings information on a consistent basis.

SANNE

12. Profit for the year

	2015 £ 000's	2014 £ 000's
Profit for the year has been arrived at after charging/(crediting):		
Net foreign exchange losses/(gains)	**145**	(10)
Depreciation of equipment	**861**	625
Loss on disposal of equipment	**6**	–
Auditor's remuneration for audit services	**374**	123
Auditor's remuneration for other services		
Tax	**–**	4
IPO	**494**	–
Software	**136**	–
Amortisation of intangible assets (see note 14)	**1,611**	1,546
Staff costs	**19,593**	16,945
Impairment loss recognised on trade receivables (see note 17)	**435**	156
Reversal of impairment on trade receivables	**–**	(152)
Premises expense	**2,476**	1,551

13. Dividends

	2015 £ 000's	2014 £ 000's
Amounts recognised as distributions to equity holders in the year:		
Dividends paid in cash - Sanne Holdings Limited	**–**	4,628
Dividends paid as preference shares in specie - Sanne Holdings Limited	**–**	323
Interim for the current year - Sanne Group plc	**1,579**	–
Total dividends	**1,579**	**4,951**
Proposed final dividend	**6,327**	**–**

The proposed final dividend is subject to approval at the forthcoming AGM and has not been included as a liability in these financial statements. These dividends are shown net of the 10% Jersey tax credit.

	2015 Pence per share	2014 Pence per share
Dividend per share ("DPS"):		
Interim for the current year	**1.4**	–
Final proposed for the current year	**5.6**	–
Pro forma dividend	**–**	4.9
Total dividend per share	**7.0**	**4.9**

	2015	2014
Weighted average numbers of ordinary shares in issue	**109,496,601**	102,000,000

The Group's financial statements reflect the continuation of the pre-existing group previously headed by Sanne Holdings Limited. To aid comparability following the Group's reconstruction and share reorganisation the number of ordinary shares issued to the original shareholders has been used to best indicate the share capital in existence at that time and provide dividend information on a consistent basis.

14. Intangible assets

	Contract £ 000's	Customer £ 000's	Total £ 000's
Cost			
At 1 January 2014	8,922	1,160	10,082
Acquired during the period	1,578	82	1,660
At 31 December 2014	10,500	1,242	11,742
Acquired during the period	–	–	–
Exchange difference	(70)	(9)	(79)
At 31 December 2015	10,430	1,233	11,663
Amortisation			
At 1 January 2014	743	68	811
Charge for the period	1,425	121	1,546
At 31 December 2014	2,168	189	2,357
Charge for the period	1,488	123	1,611
Exchange difference	(15)	(2)	(17)
At 31 December 2015	3,641	310	3,951
Carrying amount			
At 31 December 2015	**6,789**	**923**	**7,712**
At 31 December 2014	8,332	1,053	9,385

The method of valuation and subsequent review is outlined in note 1, no triggers of impairment were detected. Contract intangibles are amortised over seven years and customer intangibles amortised over 10 years.

15. Equipment

	Computer equipment £ 000's	Fixtures and equipment £ 000's	Total £ 000's
Cost			
At 1 January 2014	2,056	605	2,661
Additions	1,034	331	1,365
Disposals	(404)	(18)	(422)
Exchange differences	2	(1)	1
At 31 December 2014	2,688	917	3,605
Additions	521	220	741
Reclassifications	2	(2)	–
Disposals	(522)	(6)	(528)
At 31 December 2015	**2,689**	**1,129**	**3,818**
Accumulated depreciation			
At 1 January 2014	1,251	370	1,621
Charge for the year	518	107	625
Disposals	(397)	(18)	(415)
Exchange differences	–	–	–
At 31 December 2014	1,372	459	1,831
Charge for the year	678	183	861
Reclassifications	(1)	1	–
Disposals	(520)	(2)	(522)
Exchange differences	1	–	1
At 31 December 2015	**1,530**	**641**	**2,171**
Carrying amount:			
At 31 December 2015	**1,159**	**488**	**1,647**
At 31 December 2014	1,316	458	1,774

As at 31 December 2015 £495k of computer equipment and £365k of fixture and equipment is fully depreciated.

16. Subsidiaries

Detailed below is a list of subsidiaries of the Company as at 31 December 2015 which, in the opinion of the Directors, principally affects the profit or the net assets of the Group. All of these subsidiaries are 100% owned by the Group, with 100% of voting power held and co-terminus accounting reference dates. They all engage in the provision of trust, nominee and company services or provide related support services.

Subsidiaries	Country of incorporation
Sanne Capital Markets Ireland Limited	Ireland
Sanne Fiduciary Services (UK) Limited	England and Wales
Sanne Fiduciary Services Limited	Jersey
Sanne Finance Limited	Jersey
Sanne Financial Management Consulting (Shanghai) Co Ltd	China
Sanne Fund Administration Limited	Jersey
Sanne Group (Guernsey) Limited	Guernsey
Sanne Group (Luxembourg) SA	Luxembourg
Sanne Group (UK) Limited	England and Wales
Sanne Group Administration Services (UK) Limited	England and Wales
Sanne Group Asia Limited	Hong Kong
Sanne Holdings Limited	Jersey
Sanne International Limited	Jersey
Sanne Trustee Company UK Limited	England and Wales
Sanne Trustee Services Limited	Jersey

17. Trade and other receivables

	2015 **£ 000's**	2014 £ 000's
Trade receivables	**18,304**	5,520
Allowance for doubtful debts	**(588)**	(422)
	17,716	5,098
Other debtors and prepayments	**833**	835
Total trade and other receivables	**18,549**	**5,933**

Trade receivables

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

The Group considers all receivables over 60 days to be past due.

Allowances against doubtful debts are recognised against receivables with reference to these indicators:

- Insolvency or closure of the customer's business;
- Customer liquidity issues; and
- General creditworthiness, including past default experience of the customer.

Receivables as disclosed above include amounts which are past due at the reporting date but against which the Group has not recognised an allowance for doubtful receivables because there are no significant indicators of their irrecoverability.

There are two customers who across multiple contracting entities represent more than 5% of the total balance of trade receivables.

Institutional Client A 8.22%
Institutional Client B 6.35%

The directors consider that the carrying value of trade and other receivables is approximately equal to their fair value.

Movement in the allowance for doubtful debts:	**2015 £ 000's**	2014 £ 000's
Balance at the beginning of the year	**422**	1,217
Impairment losses recognised	**435**	156
Amounts written off during the year as uncollectible	**(64)**	(264)
Amounts recovered during the year	**(205)**	(535)
Impairment losses reversed	**–**	(152)
Total allowance for doubtful debts	**588**	**422**

Ageing of past due but not impaired receivables	**2015 £ 000's**	2014 £ 000's
61–90 days	**170**	612
91–120 days	**1,104**	1,067
121–180 days	**26**	155
180+ days	**32**	681
Total	**1,332**	**2,515**

Ageing of impaired receivables	**2015 £ 000's**	2014 £ 000's
<31 Days	**26**	0
61–90 days	**–**	–
91–120 days	**7**	63
121–80 days	**–**	8
180+ days	**555**	351
Total	**588**	**422**

During the year the Group successfully rolled out a new time recording and customer billing system. As a result of this the Group has been able to make efficiencies in the invoicing process, enabling improvement in the working capital cycle. Invoices relating to Q4 2015 were raised and processed in December 2015, by contrast the customer invoices billed and relating to Q4 2014 were raised and processed in January 2015.

18. Net cash/debt (non-GAAP metric)

	2015 £ 000's	2014 £ 000's
Bank Loan (see note 22)	**(17,695)**	(42,630)
Revolving credit facility – drawn	**–**	–
Trapped cash [(i)]	**(599)**	(3,528)
Less: Cash and cash equivalents	**19,445**	12,591
Total net (cash)/debt	**1,151**	**(33,567)**

The Group had undrawn borrowings at 31 December 2015 of £7,000k (2014: nil). See note 22.

[(i)] Trapped cash represents the minimum cash balance to be held to meet regulatory capital requirements.

19. Operating lease arrangements

	2015 £ 000's	2014 £ 000's
The Group as lessee:		
Total lease payments under operating leases recognised as an expense	**1,632**	**1,065**

At the balance sheet date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £ 000's	2014 £ 000's
Within one year	**1,301**	1,098
In the second to fifth years inclusive	**2,909**	2,810
After five years	**1,030**	399
	5,240	**4,307**

Operating lease payments represent rentals payable by the Group for office properties. Leases are negotiated for a variety of terms over which rentals are fixed with break clauses and options to extend for a further period at the then prevailing market rate. Any lease incentives are spread over the term of the lease. The break dates for the lease agreements vary.

20. Share capital

	2015 £ 000's
Authorised	
500,000,000 Ordinary shares of £0.01 each	**5,000**
Called up, issued and fully paid	
115,721,402 Ordinary shares of £0.01 each	**1,130**
(112,944,512 plus 2,776,890 Sanne Group Employees' Share Trust shares)	

Movements in share capital during the year ended 31 December 2015:		2015 £ 000's
Balance at 1 January 2015		**50**
Issue of shares - SHL	(i)	**22**
Conversion of Preference shares to ordinary shares	(ii)	**18,899**
Balance prior to capital transaction		**18,971**
Issue of shares - Sanne Group plc	(iii)	**-**
Share exchange agreement - SHL	(iv)	**(18,971)**
Share exchange agreement - Sanne Group plc	(iv)	**1,020**
Primary raise	(v)	**140**
Own share	(vi)	**(27)**
Repurchase under restricted sale agreement	(vii)	**(3)**
Balance at 31 December 2015		**1,130**

(i) On 13 March 2015 Sanne Holdings Limited issued 22,000,000 non-voting ordinary shares Class F at a value of £0.001 each.

(ii) On 26 March 2015 all the issued non-voting and ordinary shares of SHL were converted to ordinary shares in the ratio of 1 new ordinary share for every 1000 shares previously issued and all the issued preference shares were converted to ordinary shares also at a ratio of 1:1. Issued share capital increased to 18,970,610 ordinary shares of £1 each.

(iii) Sanne Group plc (formally Album Group plc) was incorporated on 26 January 2015 with an authorised share capital of £10,000 divided into 10,000 shares of £1 each, 2 of which were issued on incorporation at par.

On 27 March 2015, the 10,000 ordinary shares of £1.00 each in the share capital of the Company were subdivided into 1,000,000 shares of £0.01 each in the share capital of the Company and, following such subdivision, the authorised share capital was increased from £10,000 divided into 1,000,000 shares of £0.01 each to £5,000,000 divided into 500,000,000 shares of £0.01 each.

(iv) On 1 April 2015 the Company entered into a share exchange agreement with Sanne Holdings Limited and their shareholders at that time (the "Original Shareholders") pursuant to which the existing share capital was transferred to the Company in exchange for the Company issuing 102,000,000 ordinary shares of £0.01 each to the Original Shareholders (the "Share Capital Reorganisation"). This gave rise to issued share capital of £1,020k and share premium of £17,951k.

(v) Immediately following completion of the Share Capital Reorganisation, the Company issued 14,000,000 ordinary shares of £0.01 each in the capital of the Company and the Original Shareholders sold, in aggregate, 56,776,006 shares ordinary shares in the capital of the Company (the shares issued and the shares sold, together, the "Ordinary Shares") by way of an offer to certain institutional and other investors. On 1 April 2015 the Ordinary Shares were admitted to the Official List of the UK Listing Authority with a Premium Listing and approval to trade on the Main Market of London Stock Exchange Plc. The primary raise resulted in additional issued share capital of £140k and share premium of £27,860k. Raising cash proceeds of £28,000k less share issuance costs of £1,066k.

(vi) 2,776,890 Ordinary shares (2% of the issued share capital) are held by Sanne Group Employees' Share Trust ("EBT") have been treated as treasury shares in accordance with IAS 32 Financial Instruments: Presentation.

(vii) The Company holds 278,598 treasury shares see note 21.

When consolidated and adjusted for the Own shares held the above transactions gave rise to the share premium of £45,836k after the deduction of share issuance cost the closing share premium was therefore £44,770k.

21. Own shares

	Shares	**2015 £ 000's**	2014 £ 000's
EBT	2,776,890	**125**	–
Treasury	278,598	**(3)**	–
Total	**3,055,488**	**122**	**–**

Sanne Group Employees' Share Trust

During the year, the EBT received Ordinary shares in SHL. On IPO these were converted to 2,998,249 Ordinary shares in the Company held for the benefit of employees. At 31 December 2015, 2,776,890 were unallocated and excluded from the EPS (note 11) and these financial statements.

These are held by the trust to fulfil the Groups' future obligations.

Treasury shares

On 2 September 2015 the Company purchased 186,500 shares under a restrictive sale agreement moving them to treasury shares for a total consideration of, in aggregate, £1. On 17 November 2015, a further 92,098 ordinary shares of £0.01 each in the Company were also purchased under another restrictive sale agreement to be held in treasury for a total consideration of, in aggregate, £1.

These are held by the Company for later reissue, with a usage yet to be determined.

22. Non-current liabilities

	2015 £ 000's	2014 £ 000's
Preference shares (i)	**–**	18,939
Bank loan (ii)	**17,695**	42,630
Total non-current liabilities	**17,695**	**61,569**

(i) As part of the IPO restructure the Group settled the preference shares converting them to ordinary shares.

(ii) As part of the restructure at the time of the IPO the Group settled the secured bank loan with Intermediate Capital Group ("ICG") totalling £45m over a seven year term. The associated capitalised loan issue costs totalling £2.3m have been written off, having previously been amortised over the seven year term. To partially fund the repayment the Group has taken out a replacement loan with HSBC Plc for £18m (drawn) with an extra £7m (undrawn) available on a revolving credit facility. Covenants attached to the loan monitor interest cover and leverage, with leverage defining the margin above LIBOR (0.569%). When debt is greater than 1 x EBITDA then the margin will be 1.5%. When debt is greater than 2 x EBITDA then the margin will be 2.15%. Undrawn funds are charged at 40% of the interest charge. £313k of capitalised loan cost are being amortised over the five year term, which ends on 26 March 2020. An accordion facility for a further £15m is available at no cost, but remains undrawn.

23. Trade and other payables

	2015 £ 000's	2014 £ 000's
Trade creditors	**407**	27
Other payables	**278**	696
Other taxes and social security	**1,186**	771
Accruals	**1,340**	1,183
Total trade and other payables	**3,211**	**2,677**

Trade creditors and accruals principally comprise of amounts outstanding for trade purchases and ongoing costs. The directors consider the carrying value of the trade payable approximates to their fair value.

24. Provisions

	2015 £ 000's	2014 £ 000's
Total provisions	**134**	**–**

The above provision relates to the abandonment of the previous London office. £182k is provided in regards of rent, service charge and council tax payments until 7 January 2017 and included in operating expense with no allowance made for sub-lease or assignment income. The amount provided has been offset by rent paid in advance of £49k.

25. Deferred revenue

	2015 £ 000's	2014 £ 000's
Total deferred revenue	**7,014**	**1,712**

The deferred revenue arises in respect of fees invoiced to customers in advance in respect of service contracts.

26. Share based payments

	2015 £ 000's	2014 £ 000's
Sanne Holdings Limited (i)		
2,450,000 F Non-voting Ordinary shares in SHL	**1,075**	–
Amortisation of SHL award costs	**735**	258
Sanne Group plc (ii)		
Share Gift award	**918**	–
Foreign exchange	**8**	–
Total share based payments	**2,736**	258

(i) Sanne Holdings Limited

The Group operated an equity-settled share based remuneration arrangement for certain "qualified" persons. The aim of the scheme was to allow persons meeting certain criteria to receive a proportion of value added to the business without dilution of shares issued to existing E class shareholders (as further detailed in the Company's prospectus). Accordingly, different share classes with defined income and capital rights were created from time to time.

The allocation of shares and the determination of who is a qualified person is made by a related party, Consus Limited ("Consus"), in its absolute discretion. Consus holds shares of the parent company for allocation to qualified persons. The directors of Consus are also directors of other entities within the Group or representatives of shareholders.

When shares were allocated, qualified persons enter into a Share Rights and Call Option agreement with Consus giving Consus the unrestricted right to call the shares for nominal value during a period of five years if the holder is no longer deemed a qualified person.

The fair value of the shares issued has been calculated using a discounted cash flow model. The key inputs to the calculation include expected dividends according to the income rights of each share class based on a three-year earnings projection, adjusted to reflect an estimated 5% annual dilution of dividend. The discount factor of 12% has been determined based on the Group's weighted average cost of capital.

These shares were subsequently exchanged for ordinary shares of Sanne Group plc on 1 April 2015 upon completion of the IPO. The remaining value of all share awards were fully amortised on completion of the IPO.

(ii) Sanne Group plc

Sanne Group Employees' Share Trust

Gift award

On 30 November 2015, 255,179 shares were gifted to employees as beneficiaries. These shares were awarded to the beneficiaries in recognition of their efforts in bringing the company to the Main Market of the London Stock Exchange. As such they have no vesting period and individuals can request their sale within given windows outside the close period. The market value on grant date of £3.61 per share was charged in full to operating expenses.

All awards were granted for nil consideration.

27. Financial instruments

Capital risk management

For the purpose of the Group's capital management, capital includes bank loans, preference shares, issued share capital and all other equity reserves attributable to the equity holders of the parent company. The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to shareholders through the optimisation of the debt and equity balance.

As disclosed in note 22, in 2015 the Group took a loan which requires it to meet cash flow, leverage and interest cover covenants. In order to achieve the Group's capital risk management objective, the Group aims to ensure that it meets financial covenants attached to borrowings. Breaches in meeting the financial covenants would permit the lender to immediately call the loan.

In line with the loan agreement the Group tests compliance with the financial covenants on a quarterly basis and considers the results in making decisions affecting dividend payments to shareholders or issue of new shares.

Individual regulated entities within the Group are subject to regulatory requirements to ensure adequate capital and liquidity to meet local requirements in Jersey, UK, Guernsey and Luxembourg, which are monitored monthly to ensure compliance. There has been no breach of applicable regulatory requirements in the year.

Categories of financial instruments	**2015 £ 000's**	2014 £ 000's
Financial assets		
Cash and bank balances	**19,445**	12,591
Loans and receivables	**18,785**	13,664
Financial liabilities		
Financial liabilities recorded at amortised cost		
Bank loan	**17,695**	42,630
Preference shares	**–**	18,939
Trade and other payables [i]	**2,025**	1,706

[i] Excludes other taxes and social security.

Financial risk management objectives

The financial risk management policies are discussed by the management of the Group on a regular basis to ensure that these are in line with the overall business strategies and its risk management philosophy. Management sets policies which seek to minimise the potential adverse effects affecting the financial performance of the Group. Management provides necessary guidance and instructions to the employees covering specific areas, such as market risk (foreign exchange and interest rate risk), credit risk, liquidity risk, and in investing excess cash. The Group does not hold or issue derivative financial instruments for speculative purposes.

Market risk

The Group's activities expose it to the financial risks of changes in interest rates. The Group has entered into an interest rate cap agreement to mitigate the exposure to changes in market interest rates detailed below.

The Group's activities expose some currency risk through overseas operations with a functional currency other than pounds sterling and to a lesser extent when contracting with clients in currencies other than pounds sterling. There has been no significant change to the manner in which these risks are managed and measured.

Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group maintaining an appropriate mix between fixed and floating rate borrowings and by the use of an interest rate cap contract. As at 31 December 2015 the Group had an interest rate cap in place with a notional amount of £22.5m and a strike rate of three month Libor at 2.5%.

The interest rate cap expires in 2017. As at 31 December 2015 the fair value of the interest rate cap is £nil (2014: £22k), measured at the present value of future cash flows discounted using the applicable yield curves derived from quoted interest rates.

The Group's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the floating rate liabilities. The analysis is prepared assuming the amount of liability outstanding at balance sheet date was outstanding for the whole year.

The Group considers a reasonable interest rate movement in LIBOR to be 25 basis points based on historical changes to interest rates. If interest rates had been higher/lower by 25 basis points and all other variables were held constant, the Group's profit for the year ended 31 December 2015 would decrease/increase by £47k (2014: £19k).

Foreign currency risk management

The Group manages exposure to foreign exchange rates by carrying out the majority of its transactions in the functional currency of the Group company in the jurisdiction in which it operates. The Group entities maintain assets in foreign currencies sufficient for regulatory capital purposes in each jurisdiction. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities are as follows:

	Assets		Liabilities	
	2015 £ 000's	2014 £ 000's	**2015 £ 000's**	2014 £ 000's
Euro	**5,580**	2,247	**2,479**	1,019
USD	**2,009**	180	**22**	51
Hong Kong Dollar	**67**	105	**45**	50
	7,656	**2,532**	**2,546**	**1,120**

Foreign currency risk management sensitivity analysis

The Group's sensitivity to foreign currency relates primarily to the monetary assets and liabilities denominated in EUR. The effect of a 10% strengthening in the EUR:GBP exchange rate as at 31 December 2015, with all other variables held constant, would have resulted in an increase in equity of £310k (2014: £195k). A 10% weakening in EUR:GBP exchange rate as at 31 December 2015, with all other variables held constant, would have resulted in a decrease in equity of £282k (2014: £177k).

The Group's sensitivity to monetary assets and liabilities denominated in USD on a 10% strengthening in the USD:GBP exchange rate as at 31 December 2015, with all other variables held constant, would have resulted in an increase in equity of £199k (2014: £13k). A 10% weakening in USD:GBP exchange rate as at 31 December 2015, with all other variables held constant, would have resulted in a decrease in equity of £181k (2014: £12k).

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's principal exposure to credit risk arises from the Group's receivables from clients.

Trade receivables consist of a large number of customers, spread across diverse industries and geographical areas. The carrying amount of financial assets recorded in the historical financial information, which is net of impairment losses, represents the Group's maximum exposure to credit risk as no collateral or other credit enhancements are held.

The Group manages credit risk by review at take-on and on an on-going basis around:

- Risk of insolvency of closure of the customer's business;
- Customer liquidity issues; and
- General creditworthiness including past default experience of the customer, and customer types.

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. Regulation in most jurisdictions also requires the Group to maintain a level of liquidity so the Group does not become exposed.

The Group manages liquidity risk to maintain adequate reserves by regular reporting around the working capital cycle using information on forecast and actual cash.

Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rates at the balance sheet date. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	< 3 months £000's	3-12 months £000's	1-5 years £000's	> 5 years £000's	Total £000's
31 December 2015					
Bank loans*	116	349	19,528	–	19,993
Trade payables and accruals*	1,908	–	–	–	1,908
	2,024	**349**	**19,528**	**–**	**21,901**
31 December 2014					
Bank loans*	616	1,849	9,996	48,327	60,788
Preference shares*	284	852	4,545	18,939	24,620
Trade payables and accruals*	1,033	–	–	–	1,033
	1,933	**2,701**	**14,541**	**67,266**	**86,441**

* For the purpose of the above liquidity risk analysis, interest cash flows on bank loans and preference shares have been removed from 'trade and payables and accruals' and included in their respective principal instruments. The principal amount of preference shares with no contractual maturity has been classified within over 5 years, the related interest has only been included in each of the maturity bands in the table up to 5 years and no amounts reflected after that period where the debt instruments are perpetual.

Fair value of financial instruments

The directors consider that the carrying amounts of financial assets and financial liabilities approximate their fair values.

28. Related party transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The Group's other significant related parties are:

- Key management personnel defined as the board of directors of the principal operating entities, Sanne Group plc, Sanne Holdings Limited and Sanne Fiduciary Services Limited, and other key individuals responsible for planning and controlling the activities of the Group;
- IFX Sartura Limited Partnership, Inflexion 2012 Co-Investment Fund LP and Inflexion 2012 Co-Investment Fund (No.2.) LP (together "Inflexion") were considered key shareholders during the year; and
- Santisima Limited ("Santisima") were considered key shareholders during the year. The directors of Santisima were also directors of other entities within the Group during the year.

Further information in relation to the significant related parties detailed about can be found in the Company's prospectus.

At 31 December 2015 neither Inflexion nor Santisima were considered related parties.

The holdings of related parties immediately following the IPO share exchange, disclosed in note 20, were as follows: Inflexion: 50,756,879 shares; Santisima Limited: 12,334,384 shares; Key Management Personnel: 20,554,971 shares. As part of the share exchange agreement, payments of £3.5m and £1m were made to Inflexion and Santisima Limited respectively.

The remuneration of key management personnel of the group is set out below in aggregate for each of the categories specified in IAS 24 Related Party Disclosures.

	2015 £ 000's	2014 £ 000's
Short-term employee benefits	**2,555**	2,356
Share Based Payments (see note 26)	**452**	116
Total short term payments	**3,007**	**2,472**
Other		
– Ordinary Dividends	**185**	1,052
– Interest on 6% Preference Shares	**–**	95
Total other payments	**185**	**1,147**

29. Post balance sheet events

Castlewood Corporate Services Limited (trading as Chartered Corporate Services) (“CCS”)

On 29 February 2016 the Group acquired 100% of the issued share capital of CCS, a company incorporated in Ireland.

Due to the proximity of the acquisition to the year end, the calculation of deferred consideration, acquired intangible assets and fair value reviews have not yet been completed.

IDS Fund Services ("IDS")

On 14 March 2016 the Group entered into an agreement to acquire IDS Fund Services, an independent company headquartered in South Africa, which provides outsourced investment administration services to the asset management industry, particularly focused on hedge fund clients. The total consideration is based on EBITDA and subject to audit of IDS’s financial statements, estimated at ZAR 276.3 million (approx. £12.6 million at current exchange rates).

Sanne will acquire the whole of the issued share capital of IDS Fund Services Holdings (PTY) Limited for an initial cash consideration of ZAR 201.6m (£9.2m) and expected deferred cash consideration of ZAR 74.7m (£3.4m) dependent on IDS's final audited EBITDA for the year ended 29 February 2016.

Due to the proximity of the acquisition to the year end, the calculation of acquired intangible assets and fair value reviews have not yet been completed.