

REGISTERED NUMBER: 01451043 (England and Wales)

**Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2015
for
DBS Management Limited**

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for the Year Ended 31 December 2015**

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DBS Management Limited

**Company Information
for the Year Ended 31 December 2015**

DIRECTORS:

D J Burlison
J Cowan

SECRETARY:

Friends Life Secretarial Services Limited

REGISTERED OFFICE:

Pixham End
Dorking
Surrey
RH4 1QA

REGISTERED NUMBER:

01451043 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
101 Barbirolli Square
Manchester
M2 3PN

**Strategic Report
for the Year Ended 31 December 2015**

The directors present their strategic report of DBS Management Limited (the "Company") for the year ended 31 December 2015.

REVIEW OF BUSINESS

The principal activity of the Company in the year under review was that of an intermediate holding company which held investments in Opal (UK) Holdings Limited and Synergy Financial Products Limited during the year. During the year the Company received dividends of £nil (2014: £171,103) from these investments.

The Company also owns an investment property which is let to another company within Sesame Bankhall Group ("SBG").

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks for the Company are that its investments will decrease in value and not generate returns and that a significant decline in property values would have a negative impact on the fair value of its investment property.

The Company monitors the performance of the companies in which it holds investments in order to identify any trends indicating potential impairment. Investment property is revalued on an annual basis.

FRS 101 REDUCED DISCLOSURE FRAMEWORK

The Company has adopted FRS 101 for these financial statements for the year ended 31 December 2015. In order to show comparative balances, the year ended 31 December 2014 is also shown under FRS 101. The date of transition to FRS 101 is, therefore, 1 January 2014.

There has been no impact to the Balance Sheet, Income Statement, Statement of Other Comprehensive Income or Statement of Changes in Equity as of 1 January 2014 or 31 December 2015 as a result of the first time adoption of FRS 101.

KEY PERFORMANCE INDICATORS

The directors monitor the performance of the Company using a number of financial and non-financial performance measures. A number of these for the Company are set out in these financial statements and are shown below.

	2015 £'000	2014 £'000
Turnover	52	52
Operating profit/(loss)	(48)	102
Profit/(loss) before taxation	(47)	273
Profit/(loss) for the year	(58)	262
Net assets/(liabilities)	3,068	3,126

Given the straightforward nature of the business, the directors are of the opinion that further analysis using KPI's is not necessary for the understanding of the development, performance or position of the business.

ON BEHALF OF THE BOARD:


J. Cowan - Director

22 September 2016

**Report of the Directors
for the Year Ended 31 December 2015**

The directors present their report with the audited financial statements of the Company for the year ended 31 December 2015.

For the period to 10 April 2015 the Company was part of the Friends Life Group of companies, and references to the Group are to the Group of companies formerly headed by Friends Life Group Limited. Following the acquisition of the Friends Life Group by Aviva on 10 April 2015 the Company is now a subsidiary of the Aviva Group of companies headed by Aviva plc.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the year under review was that of a holding company which held investments in Opal (UK) Holdings Limited and Synergy Financial Products Limited during the year.

The Company also owns an investment property which is let to another company within SBG.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2015 (2014: £nil).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

Changes in directors holding office in the period from 1 January 2015 to the date of this report are as follows:

J Cowan - appointed 23 June 2015

J A Newman - resigned 30 June 2015

D J Burlison - appointed 24 September 2015

DIRECTORS AND OFFICERS - INDEMNITY AND INSURANCE

Aviva plc, the Company's ultimate parent, (since Aviva plc acquired the Friends Life Group on 13 April 2015) granted in 2004 an indemnity to the directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 1985, which continue to apply in relation to any provision made before 1 October 2007. This indemnity is a "qualifying third party indemnity" for the purposes of sections 309A to 309C of the Companies Act 1985. These qualifying third party indemnity provisions remain in force as at the date of approving the Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

The directors also have the benefit of the indemnity provision contained in the Company's articles of association, subject to the conditions set out in the Companies Act 2006. This is a "qualifying third party indemnity" provision as defined by section 234 of the Companies Act 2006.

**Report of the Directors
for the Year Ended 31 December 2015**

FUTURE OUTLOOK AND GOING CONCERN

The directors anticipate that the Company will continue to hold its trade investments and that these investments will produce additional value in the future.

On 31 May 2016 the investment property held by the Company was advertised for sale with an asking price of £1.25m. At the approval date of these financial statements the property was advertised for sale and not yet sold.

STATEMENT OF GOING CONCERN

On 17 June 2015 Aviva Life Holdings UK Limited provided a letter of support to Sesame Bankhall Group Limited (SBGL), the immediate parent company, indicating it would provide £25m of support to SBGL and its subsidiaries to pay any liability which SBGL or its subsidiaries believes it will be otherwise be unable to pay using its own cash or other assets. This support excludes certain restructuring related costs and expenses, should they be incurred by SBGL or its subsidiaries, and is limited to a period of 24 months from 17 June 2015. As such, this support expires on 17 June 2017.

The directors believe that with the changes implemented as part of the strategic review of Sesame Bankhall Group, and the ongoing financial support of the parent entities to the Company, the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Consequently, they continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

FINANCIAL RISK MANAGEMENT POLICY

The principal risks and uncertainties of the Company are summarised in the Strategic Report.

The directors are responsible for the financial risk management process and for the review, challenge and approval of its reported financial position. Suitable policies and procedures have been adopted by the Company in order to ensure an appropriate level of risk management is directed at the relevant elements of the business.

Credit risk

The Company has minimal exposure to credit risk as the investment property is let to a fellow SBG company.

Market risk

The Company has no exposure to market risk including foreign exchange rate movements.

Liquidity risk

Liquidity risk is the risk that a firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due, or can only secure such resources at excessive cost. The Company has a minimal exposure to liquidity risk.

**Report of the Directors
for the Year Ended 31 December 2015**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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


STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

As far as the directors are aware there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

INDEPENDENT AUDITORS

Following the change in control of the Friends Life Group of companies, Ernst & Young LLP resigned as the Company's auditor on 27 October 2015. PricewaterhouseCoopers LLP was then appointed by the directors as the Company's auditors on 21 December 2015.

ON BEHALF OF THE BOARD:


J Cowan – Director

22 September 2016

REPORT ON THE FINANCIAL STATEMENTS

Our opinion

In our opinion, DBS Management Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Strategic Report, Report of the Directors and Audited Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- the Income Statement and Statement of Other Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in-writing.

What an audit of financial statements involves

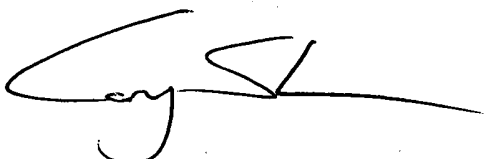
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Gary Shaw (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester

23 September 2016

**Income Statement
for the Year Ended 31 December 2015**

		2015		2014 as restated	
	Note	£'000	£'000	£'000	£'000
TURNOVER			52		52
Other operating (expense) / income			<u>(100)</u>		<u>50</u>
OPERATING (LOSS)/PROFIT			(48)		102
Income from fixed asset investments		-		171	
Interest receivable and similar income	4	<u>1</u>	<u>1</u>	<u>-</u>	<u>171</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5		(47)		273
Tax on (loss)/profit on ordinary activities	6		<u>(11)</u>		<u>(11)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			<u>(58)</u>		<u>262</u>

The notes on pages 12 to 22 form part of these financial statements

**Statement of Other Comprehensive Income
for the Year Ended 31 December 2015**

	2015	2014
	£'000	as restated £'000
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(58)	262
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>(58)</u></u>	<u><u>262</u></u>

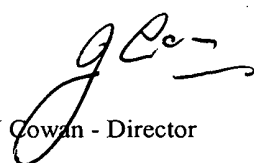
The notes on pages 12 to 22 form part of these financial statements

DBS Management Limited (Registered number: 01451043)

**Balance Sheet
As at 31 December 2015**

		2015		2014 as restated	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	8		34		34
Investment property	9		<u>1,000</u>		<u>1,100</u>
			1,034		1,134
CURRENT ASSETS					
Debtors	10	7,266		7,267	
Cash at bank and in hand		<u>275</u>		<u>276</u>	
		7,541		7,543	
CREDITORS					
Amounts falling due within one year	11	<u>(5,507)</u>		<u>(5,551)</u>	
NET CURRENT ASSETS			<u>2,034</u>		<u>1,992</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,068</u>		<u>3,126</u>
CAPITAL AND RESERVES					
Called up share capital	12		495		495
Revaluation reserves	13		238		338
Retained earnings	13		<u>2,335</u>		<u>2,293</u>
TOTAL SHAREHOLDERS' FUNDS			<u>3,068</u>		<u>3,126</u>

The financial statements were approved by the Board of Directors on 22 September 2016 and were signed on its behalf by:


J Cowan - Director

The notes on pages 12 to 22 form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 31 December 2015**

	Called up share capital £'000	Retained earnings £'000	Revaluation reserves £'000	Total equity £'000
Balance at 1 January 2014	495	2,081	288	2,864
Changes in equity				
Total comprehensive income	-	212	50	262
Balance at 31 December 2014	495	2,293	338	3,126
Changes in equity				
Total comprehensive expense	-	42	(100)	(58)
Balance at 31 December 2015	495	2,335	238	3,068

The notes on pages 12 to 22 form part of these financial statements

1. ACCOUNTING POLICIES

Reporting entity

DBS Management Limited is a private company limited by shares. The Company is incorporated in Great Britain, registered in England and Wales, and domiciled in the United Kingdom. The Company's registered office is Pixham End, Dorking, Surrey, RH4 1QA.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

The Company is a wholly-owned subsidiary of Sesame Bankhall Group Limited and is included in the consolidated financial statements of Friends Life Holdings plc which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing consolidated financial statements under the terms of section 400 of the Companies Act 2006.

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Going Concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Report of the Directors.

On 17 June 2015 Aviva Life Holdings UK Limited provided a letter of support to Sesame Bankhall Group Limited (SBGL), the immediate parent company, indicating it would provide £25m of support to SBGL and its subsidiaries to pay any liability which SBGL or its subsidiaries believes it will be otherwise be unable to pay using its own cash or other assets. This support excludes certain restructuring related costs and expenses, should they be incurred by SBGL or its subsidiaries, and is limited to a period of 24 months from 17 June 2015. As such, this support expires on 17 June 2017.

The directors believe that with the changes implemented as part of the strategic review of Sesame Bankhall Group, and the ongoing financial support of the parent entities to the Company, the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Consequently, they continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

1. ACCOUNTING POLICIES - continued

Investment property

The fair value of investment property occupied by SBG is based on its open market value in use at the date of revaluation. Investment property is revalued on an annual basis with revaluation gains or losses recognised within the operating profit or loss of the Company for the year.

Current tax

Taxation is based on the profits and income for the year as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior year. Tax payable is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Current taxation is recognised in the income statement for the year, except to the extent that it is attributable to a gain or loss recognised outside the income statement, in which case the current taxation is recognised in the statement of other comprehensive income, or equity, as applicable

Deferred Tax

Deferred taxation is recognised on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. The tax rates used are the rates that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax liabilities. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is recognised in the income statement for the year except to the extent that it is attributable to a gain or loss recognised outside the income statement, in which case the deferred taxation is recognised in the statement of other comprehensive income, or equity, as applicable.

Investments

Investments are shown at cost less any provision considered necessary for impairment to value. The directors on an annual basis carry out reviews for impairments of investments. The need for any impairment write-down is assessed by comparison of the carrying value of the asset against the higher of net realisable value or value in use. The value in use is determined from estimated discounted future cash flows.

Income from shares in trade investments is recognised on a dividend approved basis.

1. ACCOUNTING POLICIES - continued

FRS 101 - First time adoption of Reduced Disclosure Framework

The Company has adopted FRS 101 for these financial statements for the year ended 31 December 2015. In order to show comparative balances, the year ended 31 December 2014 is also shown under FRS 101. The date of transition to FRS 101 is, therefore, 1 January 2014.

As part of the transition to FRS 101 the property previously classified as Freehold has been transferred to Investment property in the prior year. A prior year adjustment has been recognised to complete this transfer with the revaluation gain of £50,000 for the prior year recognised in profit and loss rather than the revaluation reserve. Other than the effect of this property reclassification there has been no further impact to the Balance Sheet, Income Statement, Statement of Other Comprehensive Income or Statement of Changes in Equity as of 1 January 2014 or 31 December 2015 as a result of the first time adoption of FRS 101.

A reconciliation of equity from the previous GAAP to FRS 101 as at the beginning of the comparative year and as at the end of the comparative year, and a reconciliation of the profit or loss from the previous GAAP to FRS 101 for the comparative year, are presented at the end of these financial statements.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2015 and early adoption is permitted. The Company has no transactions which would be affected by new currently effective requirements. The Company has not early adopted the following new standards in preparing these financial statements.

- IFRS 9 Financial Instruments - effective 1 January 2018 with early adoption permitted.
- IFRS 15 Revenue from Contracts with Customers - effective 1 January 2018 with early adoption permitted.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The only significant accounting estimate of note is the revaluation of the investment property held by the Company. As in prior years the property was valued on an existing use basis at the balance sheet date by an independent external property consultant.

3. EMPLOYEES AND DIRECTORS

The Company has no employees and therefore there were no staff costs for the year ended 31 December 2015 (2014: £nil).

The directors holding office during the year were remunerated by Sesame Services Limited and these emoluments were then apportioned between Sesame Bankhall Group companies. Their services to the Company were considered to be incidental to their other duties and as such no remuneration has been apportioned to the Company.

J A Newman was employed by, and received his emoluments from Friends Life Management Services Limited ("FLMS").

D J Burlison was employed by, and received his emoluments from, KPMG which then recharged the cost of directors' services provided to the Company. At 31 December 2015 no costs had yet been settled.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2015	2014 as restated
	£'000	£'000
Interest receivable	<u>1</u>	<u>-</u>

5. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors' remuneration for audit services of £5,500 excluding VAT (2014: £5,500) has been borne by a fellow subsidiary as was the case in the prior year. There were no non-audit fees in either year.

6. TAXATION

Analysis of tax expense

	2015	2014 as restated
	£'000	£'000
Current tax:		
Tax	<u>11</u>	<u>11</u>
Total tax expense in income statement	<u>11</u>	<u>11</u>

Factors affecting the tax expense

The tax assessed for the year is higher (2014: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2015	2014 as restated
	£'000	£'000
(Loss)/profit on ordinary activities before income taxation	<u>(47)</u>	<u>273</u>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%)	(10)	59
Effects of:		
UK dividend income	-	(37)
Revaluation of investment property	<u>21</u>	<u>(11)</u>
Tax expense	<u>11</u>	<u>11</u>

UK legislation was substantively enacted in July 2013 to reduce the rate of corporation tax from 21% to 20% from 1 April 2015, resulting in an effective rate for the year ended 31 December 2015 of 20.25%. UK legislation was substantively enacted in October 2015 to reduce the rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. UK legislation was substantively enacted in September 2016 to further reduce the corporation tax rate from 1 April 2020 to 17%. Deferred tax is calculated using rates substantively enacted by the reporting date and as such the 18% rate has been taken into account in deferred tax balances.

7. PRIOR YEAR ADJUSTMENT

As part of the transition to FRS 101 the property previously classified as Freehold has been transferred to Investment property in the prior year. A prior year adjustment has been recognised to complete this transfer with the revaluation gain for the prior year of £50,000 recognised in the income statement.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

8. INVESTMENTS

	Unlisted investments £'000
COST	
At 1 January 2015 and 31 December 2015	<u>34</u>
NET BOOK VALUE	
At 31 December 2015	<u>34</u>
At 31 December 2014	<u>34</u>

Dividends received in the year from investments amounted to £nil (2014: £171,103). Income from trade investments is recognised on a dividends approved basis.

Trade Investments	Principal Activity	Type of shares owned	Shareholding
Opal (UK) Holdings Limited	Provision of financial information	Ordinary	29%
Synergy Financial Products Limited	Lump sum and regular premium products	Ordinary	29%

Group financial statements are not prepared by the Company as the investments listed above do not meet the criteria for associates or subsidiaries. The Company is unable to exert control over the activities of either company and therefore no consolidation is considered necessary.

The directors believe that the net book value of investments is supported by their underlying net assets.

9. INVESTMENT PROPERTY

	Total £'000
FAIR VALUE	
At 1 January 2015	1,100
Revaluations	<u>(100)</u>
At 31 December 2015	<u>1,000</u>
NET BOOK VALUE	
At 31 December 2015	<u>1,000</u>
At 31 December 2014	<u>1,100</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

9. INVESTMENT PROPERTY - continued

Cost or valuation at 31 December 2015 is represented by:

	£'000
Valuation in 2007	(183)
Valuation in 2008	(190)
Valuation in 2009	(60)
Valuation in 2010	(85)
Valuation in 2011	(93)
Valuation in 2012	(22)
Valuation in 2013	(50)
Valuation in 2014	50
Valuation in 2015	(100)
Cost	<u>1,733</u>
	<u>1,000</u>

Freehold land and buildings were valued on an existing use basis on 31 December 2015 by Hanson Property Consultants Limited.

10. DEBTORS

	2015	2014 as restated
	£'000	£'000
Trade receivables	16	16
Amounts owed by group undertakings	7,249	7,250
Deferred tax asset	<u>1</u>	<u>1</u>
	<u>7,266</u>	<u>7,267</u>

The amounts due from group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand. Further information relating to amounts owed from group undertakings is detailed in the Related Parties Disclosures in Note 15.

Deferred tax arose from decelerated capital allowances. The Company is expected to trade profitably in future periods so the deferred tax asset has been recognised in full.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014 as restated
	£'000	£'000
Amounts owed to group undertakings	5,482	5,483
Corporation tax	22	65
Social security and other taxes	<u>3</u>	<u>3</u>
	<u>5,507</u>	<u>5,551</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand. Further information relating to amounts owed to group undertakings is detailed in the Related Parties Disclosures in Note 15.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2015

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2015 £'000	2014 as restated £'000
9,908,329	Ordinary	£0.05	<u>495</u>	<u>495</u>

13. RESERVES

	Retained earnings £'000	Revaluation reserve £'000	Totals £'000
At 1 January 2015	2,293	338	2,631
Loss for the financial year	<u>42</u>	<u>(100)</u>	<u>(58)</u>
At 31 December 2015	<u>2,335</u>	<u>238</u>	<u>2,573</u>

14. ULTIMATE PARENT COMPANY

The Company's immediate parent company is Sesame Bankhall Group Limited, a Company incorporated in Great Britain and registered in England and Wales.

The ultimate parent undertaking and controlling party is Aviva plc, a company incorporated in Great Britain and registered in England and Wales.

The smallest Group in which the results of the Company were consolidated for the year was that headed by Friends Life Holdings plc. Copies of Friends Life Holdings plc accounts are available on application to the Group Company Secretary, Aviva plc, St Helens, 1 Undershaft, London, EC3P 3DQ, and on the Aviva plc website at www.aviva.com

15. RELATED PARTY DISCLOSURES

	2015 £'000	2014 £'000
Included within amounts owed from group undertakings are:		
Sesame Bankhall Group Limited	<u>7,249</u>	<u>7,250</u>
	<u>7,249</u>	<u>7,250</u>
Included within amounts due to group undertakings are:		
Sesame Services Limited	5,439	5,440
Sesame Limited	<u>43</u>	<u>43</u>
	<u>5,482</u>	<u>5,483</u>

During the year the Company received rental income of £52,000 (2014: £52,000) in respect of a lease agreement with Sesame Services Limited.

16. NON-ADJUSTING POST BALANCE SHEET EVENT

On 31 May 2016 the investment property held by the Company was advertised for sale with an asking price of £1.25m. At the approval date of these financial statements the property was advertised for sale and not yet sold.

17. SUBSIDIARY UNDERTAKINGS

The subsidiary undertaking of DBS Management Limited is listed below. This undertaking is dormant and has only one class of ordinary share capital in issue.

Held directly by the Company	Nature of business	Incorporated in
DBS Management Deutschland	Dormant	Germany

Reconciliation of Equity

As at 1 January 2014

(Date of Transition to FRS 101)

	UK GAAP £'000	Effect of transition to FRS 101 £'000	FRS 101 £'000
FIXED ASSETS			
Tangible assets	1,050	(1,050)	-
Investments	34	-	34
Investment property	-	1,050	1,050
	<u>1,084</u>	-	<u>1,084</u>
CURRENT ASSETS			
Debtors	7,251	-	7,251
Cash at bank and in hand	63	-	63
	<u>7,314</u>	-	<u>7,314</u>
CREDITORS			
Amounts falling due within one year	(5,533)	-	(5,533)
NET CURRENT ASSETS	<u>1,781</u>	-	<u>1,781</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>2,865</u>	-	<u>2,865</u>
NET ASSETS	<u>2,865</u>	-	<u>2,865</u>
CAPITAL AND RESERVES			
Called up share capital	495	-	495
Revaluation reserve	288	-	288
Retained earnings	2,081	-	2,081
TOTAL SHAREHOLDERS' FUNDS	<u>2,864</u>	-	<u>2,864</u>

Reconciliation of Equity - continued
As at 31 December 2014

	UK GAAP £'000	Effect of transition to FRS 101 £'000	FRS 101 £'000
FIXED ASSETS			
Tangible assets	1,100	(1,100)	-
Investments	34	-	34
Investment property	-	1,100	1,100
	<u>1,134</u>	<u>-</u>	<u>1,134</u>
CURRENT ASSETS			
Debtors	7,267	-	7,267
Cash at bank and in hand	276	-	276
	<u>7,543</u>	<u>-</u>	<u>7,543</u>
CREDITORS			
Amounts falling due within one year	(5,551)	-	(5,551)
NET CURRENT ASSETS	<u>1,992</u>	<u>-</u>	<u>1,992</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>3,126</u>	<u>-</u>	<u>3,126</u>
NET ASSETS	<u>3,126</u>	<u>-</u>	<u>3,126</u>
CAPITAL AND RESERVES			
Called up share capital	495	-	495
Revaluation reserves	338	-	338
Retained earnings	2,293	-	2,293
TOTAL SHAREHOLDERS' FUNDS	<u>3,126</u>	<u>-</u>	<u>3,126</u>

**Reconciliation of Profit
for the Year Ended 31 December 2014**

	UK GAAP £'000	Effect of transition to FRS 101 £'000	FRS 101 £'000
TURNOVER	52	-	52
Other operating income	<u>-</u>	<u>50</u>	<u>50</u>
OPERATING PROFIT	52	50	102
Income from fixed asset investments	<u>171</u>	<u>-</u>	<u>171</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	223	50	273
Tax on profit on ordinary activities	<u>(11)</u>	<u>-</u>	<u>(11)</u>
PROFIT FOR THE FINANCIAL YEAR	<u>212</u>	<u>50</u>	<u>262</u>