

**Report of the Director and
Unaudited Financial Statements for the Year Ended 31 December 2013
for
Financial Options Services Limited**

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for the Year Ended 31 December 2013**

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**Company Information
for the Year Ended 31 December 2013**

DIRECTOR: J A Newman

SECRETARY: Friends Life Secretarial Services Limited

REGISTERED OFFICE: Pixham End
Dorking
Surrey
RH4 1QA

REGISTERED NUMBER: 02246025 (England and Wales)

**Report of the Director
for the Year Ended 31 December 2013**

The director of Financial Options Services Limited (the "Company") presents his report with the financial statements of the Company for the year ended 31 December 2013.

DIRECTORS

Changes in directors holding office in the period from 1 January 2013 to the date of this report are as follows:

M A Couzens - resigned 28 February 2013

I Martin - resigned 8 April 2013

G Higginson - appointed 25 April 2013, resigned January 2014

P Hooper - resigned 7 January 2014

J A Newman - appointed 8 January 2014

DIRECTORS AND OFFICERS - INDEMNITY AND INSURANCE

Friends Life Holdings plc, the intermediate parent, maintains insurance cover in respect of directors' and officers' liabilities. In addition qualifying third party indemnity arrangements (as defined in section 234 of the Companies Act 2006) are in force for the benefit of the directors within the Friends Life Group (the "Group") and were in force for the benefit of former directors of the Group during 2013. Copies of the indemnities are available for inspection from the registered office of Friends Life Holdings plc.

ON BEHALF OF THE BOARD:



J A Newman - Director

14 July 2014

**Profit and Loss Account
for the Year Ended 31 December 2013**

	Notes	2013 £'000	2012 £'000
TURNOVER		-	-
Other operating income		<u>-</u>	<u>2</u>
OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	-	2
Tax on profit on ordinary activities	4	<u>-</u>	<u>-</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>-</u></u>	<u><u>2</u></u>

DISCONTINUED OPERATIONS

The Company's activities were previously discontinued. The profit in the prior year related to a release of intercompany debt caused by the strike-off of a related company in the Sesame Bankhall Group.

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the profit for the previous year.

Balance Sheet
31 December 2013

	Notes	2013 £'000	2012 £'000
CURRENT ASSETS			
Debtors	5	592	592
CREDITORS			
Amounts falling due within one year	6	<u>2</u>	<u>2</u>
NET CURRENT ASSETS		<u>590</u>	<u>590</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>590</u>	<u>590</u>
CAPITAL AND RESERVES			
Called up share capital	7	114	114
Share premium	8	288	288
Profit and loss account	8	<u>188</u>	<u>188</u>
SHAREHOLDERS' FUNDS	11	<u>590</u>	<u>590</u>
		<u>590</u>	<u>590</u>

The Company is entitled to exemption from audit under Section 480 of the Companies Act 2006 for the year ended 31 December 2013.

The members have not required the Company to obtain an audit of its financial statements for the year ended 31 December 2013 in accordance with Section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for:

- ensuring that the Company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the Company.

The financial statements were approved by the director on 14 July 2014 and were signed by:



J A Newman - Director

The notes form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Exemption from preparing a cash flow statement

Exemption has been taken from preparing a cash flow statement on the grounds that Friends Life Holdings plc includes the Company in its published financial statements.

2. STAFF COSTS

There were no staff costs for the year ended 31 December 2013 (2012: £nil).

3. OPERATING PROFIT

The operating profit in the prior year was stated after crediting £2,000 relating to the release of an intercompany balance.

Auditors' remuneration for audit services in the prior year of £1,500, excluding VAT, was borne by a fellow subsidiary, Sesame Services Limited, and not recharged.

4. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 31 December 2013 nor for the year ended 31 December 2012.

Factors affecting the tax charge

The tax assessed for the previous year was the same as the standard rate of corporation tax in the UK.

	2013 £'000	2012 £'000
Profit on ordinary activities before tax	<u>-</u>	<u>2</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23.25% (2012 - 24.50%)	-	-
Effects of: Release of intercompany balances	<u>-</u>	<u>-</u>
Current tax charge	<u>-</u>	<u>-</u>

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Amounts owed by group undertakings	<u>592</u>	<u>592</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are payable on demand.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £'000	2012 £'000
Trade payables	1	1
Amounts owed to group undertakings	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are payable on demand.

7. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2013 £'000	2012 £'000
NIL	'A' Ordinary shares	£1	-	8
NIL	'B' Ordinary shares	£1	-	106
114,761	Ordinary shares	£1	<u>114</u>	<u>-</u>
			<u>114</u>	<u>114</u>

During the year, 8,445 A Ordinary shares and 106,316 B Ordinary shares of £1 each were converted to 114,761 Ordinary shares of £1 each.

8. RESERVES

	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1 January 2013	188	288	476
Profit for the year	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2013	<u>188</u>	<u>288</u>	<u>476</u>

9. ULTIMATE PARENT COMPANY

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

The Company's ultimate parent undertaking is Friends Life Group Limited. The name of the ultimate parent was changed from Resolution Limited to Friends Life Group Limited on 8 May 2014, following shareholder approval.

Friends Life Group Limited is incorporated in Guernsey. Copies of the Group Report and Accounts of Friends Life Group Limited can be viewed via its website at www.friendslifegroup.com.

The smallest group in which the results of the Company are consolidated is that headed by Friends Life Holdings plc. Friends Life Holdings plc changed its name on 8 May 2014 from Friends Life Group plc, following Board approval.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2013

10. RELATED PARTY DISCLOSURES

	2013 £'000	2012 £'000
Included within amounts due from group undertakings are:		
Sesame Services Limited	92	92
Sesame Select Services Limited	<u>500</u>	<u>500</u>
	<u>592</u>	<u>592</u>

Included within amounts due to group undertakings are:

IFA Training School Limited	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

During the prior period there was a movement in amounts due to group undertakings as a result of a rationalisation of the Sesame Bankhall Group structure. Amounts of £1,000 owed to Investment Options Management Limited and £1,000 owed to Endowment Options were released during the year when each of these companies was struck off.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2013 £'000	2012 £'000
Profit for the financial year	<u>-</u>	<u>2</u>
Net addition to shareholders' funds	-	2
Opening shareholders' funds	<u>590</u>	<u>588</u>
Closing shareholders' funds	<u>590</u>	<u>590</u>

12. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings of Financial Options Services Limited are listed below. All undertakings are dormant and have only one class of ordinary share capital in issue.

Held directly by the Company	Nature of business	Incorporated in
Sesame Mortgage Services Limited	Dormant company	England & Wales
The IFA Training School Limited	Dormant company	England & Wales
Sesame Select Services Limited	Dormant company	England & Wales