

SESAME SERVICES LIMITED
FINANCIAL STATEMENTS AND
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008
REGISTERED NUMBER 2338540

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SESAME SERVICES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2008

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 2008.

Principal Activities and Business Review

The principal activities of the Company during the year were that of intermediate parent Company within the Friends Provident group, and to provide central resources to the Sesame group. The cost of providing these resources is recharged to other group companies as management charges. These resources relate primarily to staffing and other overheads. During the year headcount reduced from 547 to 491, in line with operating requirements.

The Company also receives revenue from product providers for various marketing and promotional activities. During 2008 the Company received £4,208,000 of revenue from product providers (seven month period ending 31 December 2007: £1,880,000). Due to the current economic climate in the UK, these revenue streams are expected to decrease in future periods. The Company continues to ensure that services are available to support the rest of the companies within the group including staffing at appropriate levels. The Company expects this to continue in the forthcoming year.

During February 2008 the Company sold its operating division that developed and sold point of sale software for financial advisers.

Results and Dividends

The results and dividends of the Company for the year are set out in detail on page 6. The Directors do not recommend the payment of a dividend for the year (seven month period ended 31 December 2007: £nil). The loss for the year ended 31 December 2008 of £6,058,000 (seven month period ended 31 December 2007 profit: £83,337,000) was transferred to reserves.

Exceptional Other Income

Exceptional items contributed £247,000 profit in the year (seven month period ended 31 December 2007: £82,478,000). In both periods exceptional items relate to movements in intercompany balances. During the period ended 31 December 2007 the directors received written assurance from Friends Provident plc that it would repay any of the intercompany debt on demand, therefore the provisions created in prior periods were released.

Principal Risks and Uncertainties

The principal risks for the Company are that its investments will decrease in value and not generate returns, that revenue from product providers will decrease and that group companies will require significant changes in service requirements at short notice. These principal risks and uncertainties of each of the group companies are shown in the financial statements of those companies.

Key Performance Indicators (KPI's)

Given the nature of the business its performance is dependent on the service requirements of the rest of the group companies, the Company's Directors are of the opinion that analysis using KPI's other than monitoring staffing levels is not necessary for the understanding of the development, performance or position of the business.

Payments to Suppliers

It is the Company's policy to agree terms and conditions for its business transactions with its suppliers. The Company seeks to abide by the payment terms agreed with suppliers whenever it is satisfied that the supplier has abided by its contractual obligations. The trade creditors of the Company at 31 December 2008 represent 14 days (seven month period ended 31 December 2007: 30 days) as a proportion of the total amount invoiced by suppliers during the year.

SESAME SERVICES LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

Employees

It is the policy of the Company that disabled people, whether registered or not, should receive full and fair consideration for all job vacancies for which they are suitable applicants. Employees who become disabled during their working life will be retained in employment wherever possible and will be given help with any necessary rehabilitation and retraining. The Company is prepared to modify procedures or equipment, wherever this is practicable, so that full use can be made of an individual's abilities.

The Company seeks to engage all employees in both its short and long term goals. This is achieved through a number of communication methods such as senior management briefings, focus groups, newsletters and, increasingly, through the use of intranet technology.

Future Outlook

The Company is expected to continue its current activities in the coming year.

Going Concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the following reason. The company's ultimate parent, Friends Provident plc, has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Directors

The Directors who served during the year and up to the date of signing of the financial statements were as follows:

M A Couzens
I Martin
M T Wadelin
S Young

Statement of Disclosure of Information to Auditors

Each Director in office at the date of this report confirms that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- Each Director has taken all steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

Following a change in the ultimate ownership of the Company from Misys plc to Friends Provident plc, for practical purposes PricewaterhouseCoopers LLP were retained for the 31 December 2007 period end audit. In 2008, the Company has changed auditors to KPMG Audit Plc to be consistent with other wholly owned subsidiaries within the Friends Provident plc Group.

SESAME SERVICES LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

Statement of Directors' responsibilities in respect of the Directors' Report and the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Approved by the Board of Directors on 27 April 2009 and signed on its behalf by



M T Wadelin
Director

KPMG Audit Plc

*Canary Wharf
1 Canada Square
London
E14 5AG
United Kingdom*

Independent auditors' report to the members of Sesame Services Limited

We have audited the financial statements of Sesame Services Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The Directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 December 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor
London
27 April 2009

SESAME SERVICES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008

	Note	Year Ended 31 December 2008	Seven Month Period Ended 31 December 2007
		£'000	£'000
Turnover		33,651	21,467
Cost of sales		(17,801)	(10,594)
Gross Profit		15,850	10,873
Administrative expenses	2	(13,867)	(9,646)
Other income – exceptional items	6	247	75,385
Operating profit	2	2,230	76,612
Amounts written off investments	7	(6,609)	7,093
Dividends received		3	1
Interest receivable	8	183	68
(Loss)/profit on ordinary activities before taxation		(4,193)	83,774
Tax on (loss)/profit on ordinary activities	9	(1,865)	(437)
Retained (loss)/profit for the financial year/period	16	(6,058)	83,337

The results for the year reflect trading from continuing activities.

There are no other gains or losses for the year other than the results for the financial year above. Accordingly no Statement of Total Recognised Gains and Losses is given.

SESAME SERVICES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2008

	Note	31 December 2008 £'000	31 December 2007 £'000
Fixed Assets			
Tangible Assets	10	492	784
Investments	11	16,625	23,234
		<u>17,117</u>	<u>24,018</u>
Current Assets			
Debtors	12	88,965	90,538
Cash at bank and in hand		16,465	708
		<u>105,430</u>	<u>91,246</u>
Creditors – amounts falling due within one year	13	<u>(56,692)</u>	<u>(44,034)</u>
Net Current Assets		<u>48,738</u>	<u>47,212</u>
Total Assets less Current Liabilities		<u>65,855</u>	<u>71,230</u>
Provisions for liabilities and charges	14	<u>(3,121)</u>	<u>(2,541)</u>
Net Assets		<u><u>62,734</u></u>	<u><u>68,689</u></u>
Capital and Reserves			
Share Capital	15	5,599	5,599
Share Premium Account	16	85,999	85,999
Equity Reserve	16	120	17
Profit and Loss Account	16	<u>(28,984)</u>	<u>(22,926)</u>
Total Equity Shareholders' Funds	17	<u><u>62,734</u></u>	<u><u>68,689</u></u>

The notes on pages 8 to 19 form an integral part of these financial statements.

The financial statements on pages 6 to 19 were approved by the Board of Directors on 27 April 2009 and signed on its behalf by:



M T Wadelin
Director

SESAME SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2008

1. Statement of Accounting Policies

Exemption From Preparing Group Consolidated Accounts

The Company is exempt by virtue of s228A of the Companies Act 1985 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

Basis of Accounting

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Going Concern

The financial statements have been prepared on the going concern basis which the Directors believe to be appropriate for the following reason. The company's ultimate parent, Friends Provident plc, has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds as are needed by the company and in particular will not seek repayment of the amounts currently made available. As with any company placing reliance on other group entities for financial support, the Directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Based on this undertaking the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on Directors' best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Turnover

Turnover is made up mainly of management charges receivable from other group companies for the provision of services. There is no cost plus arrangement with group companies in respect of the management charge.

Turnover also includes revenue in relation to the development and sale of software for financial advisers. Revenue from maintenance and support contracts is recognised rateably over the period of the contract. Electronic data interchange and remote processing services (transaction processing) are recognised as the work is performed. Professional services, such as implementation, training and consultancy, are recognised when the services are performed. Turnover represents invoiced value net of value added tax and/or trade discounts. All turnover relates to sales in the United Kingdom.

SESAME SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

1. Statement of Accounting Policies (continued)

Share Based Payment Schemes

Friends Provident plc offers share based payment schemes to the employees of the Company, depending on eligibility. The fair value of these equity-settled share based payments is measured at the grant date and expensed on a straight-line basis over the vesting period in the profit and loss account.

At each balance sheet date, the Company revises its estimate of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the profit and loss account, with a corresponding adjustment to equity over the remaining vesting period. The fair value is measured using scenario based modeling techniques that take into account the terms and conditions upon which these options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest, except where forfeiture is only due to share process not achieving the threshold for vesting. It is a requirement of the scheme for each employee taking part in the scheme to save on a monthly basis. Should an employee cease saving before the vesting date then they will lose their entitlement to any benefit however they will be entitled to a full refund of what they have saved up until the date that they stopped saving.

Deferred Taxation

Deferred tax is provided using the full provision method following the Company's adoption of FRS 19 "Deferred Tax". Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax in the future. Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the average tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

The Company operates a defined contribution pension scheme covering some of its employees. On 1 November 2007 the pension scheme changed from being part of the Misys plc group scheme, which is a money purchase scheme, to become a group personal pension scheme operated using the Friends Provident plc platform. The costs of the pension scheme are charged to the profit and loss account as incurred. The assets of the scheme are held in separate trustee administered funds.

Leasing

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term. Any premium or discount on the acquisition of a lease is spread over the lease term.

Tangible Fixed Assets

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful economic lives of the assets to the business are reassessed periodically in the light of experience.

Furniture, fittings & equipment	-	10% - 25% per annum
Motor vehicles	-	33% per annum

SESAME SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

1. Statement of Accounting Policies (continued)

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 group undertakings is recognised on a dividend proposed basis.

Provisions for liabilities and charges

The Company has recognised provisions for future costs that it expects to incur as a result of transactions, actions or commitments that had taken place at the balance sheet date.

Cash Flow Statement

Under FRS 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

2. Operating profit

	Year Ended 31 December 2008	Seven Month Period Ended 31 December 2007
	£'000	£'000
Operating profit is arrived at after charging:		
Depreciation of owned assets	410	676
Operating leases - plant and machinery	39	35
- other	575	546
Auditors' remuneration – audit services	250	350
Auditors' remuneration – non-audit services	<u>82</u>	<u>5</u>

Sesame Services Limited has borne the auditors' remuneration for all of the Sesame group companies.

The amount of auditors' remuneration relating directly to Sesame Services Limited is £80,000 excluding VAT (seven month period ended 31 December 2007: £80,000). The auditors remuneration was paid to PricewaterhouseCoopers LLP in 2007 and the auditors remuneration was paid to KPMG Audit Plc in 2008.

Auditors' remuneration was paid to KPMG Audit Plc for non-audit services in the current year of £82,000 relates to advice on a management information reporting system.

3. Employees

	Year Ended 31 December 2008	Seven Month Period Ended 31 December 2007
The average number of monthly staff employed by the Company, including Directors, was as follows:		
Sales staff	118	57
Administrative and management staff	<u>373</u>	<u>490</u>
	<u>491</u>	<u>547</u>

SESAME SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2008

11. Investments (continued)

The investments in subsidiaries comprise:

	Cost	Provision for Diminution in Value	NBV
	£'000	£'000	£'000
Aetas Limited	-	-	-
Countrywide Independent Advisors Limited	1,300	1,289	11
DBS Financial Management (Sheffield) Limited	-	-	-
DBS Financial Management PLC	88,281	88,270	11
DBS National Financial Services Limited	-	-	-
Financial Options Services Limited	27,900	15,449	12,451
i.e. Group Limited	26,658	26,658	-
Sesame Regulatory Services Limited	-	-	-
Pre-Retirement Education Programme Limited	-	-	-
PTC Actuarial Services Limited	-	-	-
Sesame General Insurance Services Limited	15,900	11,749	4,151
DBS Mortgage Services Limited	14,000	14,000	-
Sesame Protection Services Limited	-	-	-
Sesame Group India Pvt	1	-	1
At 31 December 2008	<u>174,040</u>	<u>157,415</u>	<u>16,625</u>

All shareholdings represent 100% of the share capital of the subsidiaries. The Principal activities of the Companies above are as follows:

Aetas Limited	Dormant
Countrywide Independent Advisors Limited	Dormant
DBS Financial Management (Sheffield) Limited	Dormant
DBS Financial Management PLC	Dormant
DBS National Financial Services Limited	Dormant
Financial Options Services Limited	Dormant
i.e. Group Limited	Intermediate holding company
Sesame Regulatory Services Limited	Dormant
Pre-Retirement Education Programme Limited	Dormant
PTC Actuarial Services Limited	Dormant
Sesame General Insurance Services Limited	The provision of general insurance products to financial intermediary firms, principally life and pension advisors and mortgage brokers.
DBS Mortgage Services Limited	Dormant
Sesame Protection Services Limited	Non-trading
Sesame Group India Pvt	Supply of compliance services to Sesame Services Limited.

SESAME SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

11. Investments (continued)

Group financial statements are not prepared as during the year Sesame Services Limited was a wholly owned subsidiary of Friends Provident plc, which produces publicly available consolidated financial statements.

Sesame Group India Pvt Limited is incorporated and registered in India. All other companies are incorporated in Great Britain and registered in England and Wales. The Company is exempt from preparing consolidated financial statements under S228A of Companies Act 1985. The Directors believe that the carrying value of investments is supported by their underlying net assets.

Given the current economic climate, the Directors considered it prudent to undertake an impairment review. This was carried out using a discounted future cash flow calculation covering a ten year period. The discount rate used was 10%. This revealed that a write down of £6,609,000 was required on Sesame General Insurance Services Limited.

12. Debtors: Amounts falling due within one year	31 December 2008 £'000	31 December 2007 £'000
Trade debtors	391	718
Amounts owed by group undertakings	87,416	88,739
Prepayments and accrued income	417	511
Other Debtors	208	-
Deferred Tax	533	570
	<u>88,965</u>	<u>90,538</u>

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

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

	£'000
At 1 January 2008	570
Deferred Tax credit in profit and loss account for period (note 9)	(37)
	<u>533</u>

13. Creditors: Amounts falling due within one year	31 December 2008 £'000	31 December 2007 £'000
Trade creditors	1,144	1,514
Amounts owed to group undertakings	43,280	34,339
Other taxation and social security	475	898
Other creditors	32	10
Accruals and deferred income	9,961	6,266
Corporation Tax	1,800	1,007
	<u>56,692</u>	<u>44,034</u>

Amounts due to group undertakings are unsecured, interest free and repayable on demand.

SESAME SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

14. Provisions for Liabilities and Charges	Dilapidations	Other	Total
	£'000	£'000	£'000
At 1 January 2008	914	1,627	2,541
(Credited) / charged to the profit and loss account	(21)	601	580
At 31 December 2008	<u>893</u>	<u>2,228</u>	<u>3,121</u>

Within other provisions are amounts relating to certain contractual issues and exposures. The timing of settlement of the other provisions are uncertain.

15. Called Up Share Capital	31 December 2008 £'000	31 December 2007 £'000
Authorised:		
1,000,001 A ordinary shares of £1 each	1,000	1,000
4,598,590 B ordinary shares of £1 each	<u>4,599</u>	<u>4,599</u>
	<u>5,599</u>	<u>5,599</u>
Allotted and fully paid:		
1,000,001 A ordinary shares of £1 each	1,000	1,000
4,598,590 B ordinary shares of £1 each	<u>4,599</u>	<u>4,599</u>
	<u>5,599</u>	<u>5,599</u>

Holders of A ordinary shares are entitled to attend and vote at general meetings but holders of B ordinary shares are only entitled to attend and vote if the business of the meeting involves a reduction in share capital or a variation of class rights.

The rights attaching to the shares are as follows:

"A" Ordinary shareholders are entitled to 1% of any dividends paid or of surplus assets on winding up.

"B" Ordinary shareholders are entitled to 99% of any dividends paid or of surplus assets on winding up.

16. Reserves	Equity Reserve	Share Premium Account	Profit and loss Account	Total
	£'000	£'000	£'000	£'000
At 1 January 2008	17	85,999	(22,926)	63,090
Loss for the year	-	-	(6,058)	(6,058)
Capital contribution to equity	<u>103</u>	-	-	<u>103</u>
At 31 December 2008	<u>120</u>	<u>85,999</u>	<u>(28,984)</u>	<u>57,135</u>

The movement in the equity reserve is the capital contribution to equity in respect of share options issued in the year (see note 4).

SESAME SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2008

17. Reconciliation of Movement in Equity Shareholders' Funds	Year Ended 31 December 2008 £'000	Seven Month Period Ended 31 December 2007 £'000
Opening equity shareholders funds/(deficit)	68,689	(14,665)
(Loss)/profit for the financial year/period	(6,058)	83,337
Capital contribution to equity	103	17
Closing equity shareholders' funds	<u>62,734</u>	<u>68,689</u>

18. Financial Commitments

As at 31 December 2008, the Company had annual commitments under non-cancellable operating leases as follows:

	Land and Bulidings	
	31 December 2008 £'000	31 December 2007 £'000
Operating leases which expire:		
Within one year	-	81
Between two and five years	317	286
After five years	254	254
	<u>571</u>	<u>621</u>

19. Ultimate Parent Company and Controlling Party

The Company's immediate parent Company is Friends Provident Distribution Holdings Limited, a Company registered in England and Wales.

Friends Provident plc (a Company registered in England and Wales) is the ultimate parent Company. The parent Company of both the largest and smallest group in which Sesame Services Limited is included in consolidated financial statements is Friends Provident plc. The consolidated financial statements of Friends Provident plc are available to the public and may be obtained from Friends Provident plc, Pixham End, Dorking, Surrey, RH4 1QA. The controlling party is Friends Provident plc.

20. Related Party Disclosures

The Company has also taken advantage of the exemption under paragraph 3(c) of FRS8 'Related Party Disclosures' not to disclose transactions with group undertakings since the beneficial owner of the entire equity share capital of the Company during the year was Friends Provident plc and the financial statements of the parent Company are publicly available. There were no other related party transactions requiring disclosure.