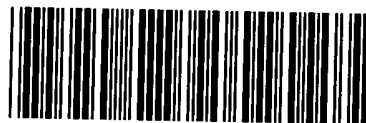


**REGISTERED NUMBER: 02543561 (England and Wales)**

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

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**Contents of the Financial Statements  
for the Year Ended 31 December 2015**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Independent Auditors' Report</b>	<b>7</b>
<b>Income Statement</b>	<b>9</b>
<b>Statement of Other Comprehensive Income</b>	<b>10</b>
<b>Balance Sheet</b>	<b>11</b>
<b>Statement of Changes in Equity</b>	<b>12</b>
<b>Notes to the Financial Statements</b>	<b>13</b>

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**Journey Financial Advice Limited**

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

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**DIRECTORS:**

D J Burlison  
J Cowan

**SECRETARY:**

Friends Life Secretarial Services Limited

**REGISTERED OFFICE:**

Pixham End  
Dorking  
Surrey  
RH4 1QA

**REGISTERED NUMBER:**

02543561 (England and Wales)

**INDEPENDENT AUDITORS:**

PricewaterhouseCoopers LLP  
101 Barbirolli Square  
Manchester  
M2 3PN

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

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The directors present their strategic report of Journey Financial Advice Limited (the "Company") for the year ended 31 December 2015:

**REVIEW OF BUSINESS**

During the year a profit on ordinary activities before taxation of £9,000 (2014: £37,000) was achieved which is in line with expectations. The Company is a financial advice business which provides the following services:

- The provision of network permissions for students of the Financial Adviser School ("FAS"). This allows students to write business whilst they continue to study with the school and gain the relevant experience they need to achieve Competent Adviser Status ("CAS") in each advice area.
- The provision of self-employed contracts to FAS graduates.

On 20 April 2015 the proposed winding down of FAS was announced. Sesame Bankhall Group ("SBG") pledged to support existing FAS students but would no longer seek to recruit new students as, following the SBG strategic review, it would no longer be able to offer them a prospective home within its adviser network.

Following significant industry interest it was announced on 1 October 2015 that advanced discussions with Intrinsic, part of the Old Mutual Group, were ongoing with view to it taking ownership of FAS. On 1 February 2016, the completed acquisition of FAS by Intrinsic was announced. This acquisition will allow FAS, founded by SBG, to continue with its original purpose of training professional financial advisers in order to support the growth and development of the adviser community.

Following the sale of FAS, and the completion of the SBG strategic review, the directors expect the Company to become dormant and remain so for the foreseeable future.

**PRINCIPAL RISKS AND UNCERTAINTIES**

During the year the Company was susceptible to a downturn in the success of FAS due to the nature of the relationship between the Company and FAS. As a financial advisory business, regulatory risk is the major risk to the business, though this is mitigated to some extent by the nature of the relationship between the Company and Sesame Limited who provide compliance oversight in relation to regulatory obligations. The Company is also susceptible to any major downturn in stock market conditions and liquidity in the mortgage market, as this is likely to reduce a consumer's propensity to invest in stock markets or arrange new mortgages, and subsequently impact on advisers' productivity.

**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.

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

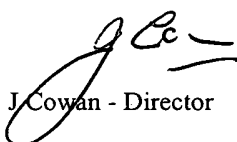
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**KEY PERFORMANCE INDICATORS**

The Board monitors 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	2014
	£'000	£'000
Turnover	13	42
Operating Profit	9	37
Profit before taxation	9	37
Profit for the year	7	29
Net assets	585	578

**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 Journey Financial Advice Limited (the "Company") for the year ending 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 the provision of work experience to trainee financial advisers who are referred to the Company by FAS, a related company. The Company helps advisers to achieve CAS by providing the opportunity to work in its financial advice business, offering trainees the opportunity to offer advice to retail customers in the UK.

The Company is regulated by the Financial Conduct Authority ("FCA") as an appointed representative of Sesame Limited.

**DIVIDENDS**

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

**FUTURE DEVELOPMENTS**

Following the sale of FAS, and the completion of the SBG strategic review, the directors expect the operations of the Company to be wound down in the forthcoming year. The Company will then become dormant and remain so for the foreseeable future.

**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**

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**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 Sesame Bankhall Group holding 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 no exposure to credit risk.

**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.

**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.

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

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued**

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.

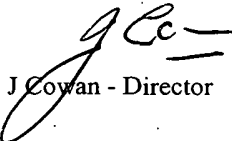
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 date 21 December 2015.

**ON BEHALF OF THE BOARD:**



J Cowan - Director

22 September 2016



## **REPORT ON THE FINANCIAL STATEMENTS**

### **Our opinion**

In our opinion, Journey Financial Advice 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**

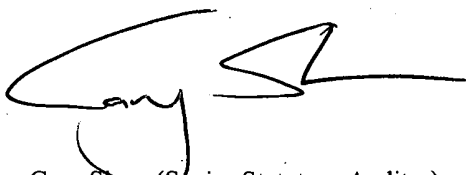
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error.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

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	Note	2015 £'000	2014 £'000
<b>TURNOVER</b>		13	42
Administrative expenses		<u>(4)</u>	<u>(5)</u>
<b>OPERATING PROFIT and PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	4	9	37
Tax on profit on ordinary activities	5	<u>(2)</u>	<u>(8)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>7</u></u>	<u><u>29</u></u>

The notes on pages 13 to 18 form part of these financial statements

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

---

	2015 £'000	2014 £'000
<b>PROFIT FOR THE FINANCIAL YEAR</b>	7	29
<b>OTHER COMPREHENSIVE INCOME</b>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>7</u>	<u>29</u>

The notes on pages 13 to 18 form part of these financial statements

**Journey Financial Advice Limited (Registered number: 02543561)**

**Balance Sheet  
As at 31 December 2015**

	Note	2015 £'000	2014 £'000
<b>FIXED ASSETS</b>			
Tangible assets	6	-	4
<b>CURRENT ASSETS</b>			
Debtors	7	529	529
Cash in hand and at bank		<u>69</u>	<u>55</u>
		598	584
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>(13)</u>	<u>(10)</u>
<b>NET CURRENT ASSETS</b>		<u>585</u>	<u>574</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>585</u>	<u>578</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	9	401	401
Retained earnings	10	<u>184</u>	<u>177</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>585</u>	<u>578</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 13 to 18 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	Total equity £'000
<b>Balance at 1 January 2014</b>	401	148	549
<b>Changes in equity</b>			
Total comprehensive income	-	29	29
<b>Balance at 31 December 2014</b>	401	177	578
<b>Changes in equity</b>			
Total comprehensive income	-	7	7
<b>Balance at 31 December 2015</b>	401	184	585

The notes on pages 13 to 18 form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 December 2015**

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**1. ACCOUNTING POLICIES**

**Reporting entity**

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

**Going Concern**

On 17 June 2015 Aviva Life Holdings UK Limited provided a letter of support to Sesame Bankhall Group Limited (SBGL), the Sesame Bankhall Group holding 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.

**Turnover**

Turnover represents net invoiced sales of services, excluding value added tax.

Turnover, principally comprising commission income, represents the amounts (excluding value added tax) derived from products sold and accepted by providers of such products, from the Company's principal activity, together with other sundry income and relates to continuing operations in the United Kingdom. Commission turnover is recognised when a product is put on risk with Product Providers.

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

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1. ACCOUNTING POLICIES - continued

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery - 25% on cost

**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 periods. 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.

**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.

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.

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. There are no critical accounting estimates within the financial statements.



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

3. **EMPLOYEES AND DIRECTORS**

There were no staff costs for the year ended 31 December 2015 (2014: £nil).

J Cowan was remunerated by Sesame Services Limited and these emoluments were then apportioned between Sesame Bankhall Group companies.

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 Sesame Services Limited. At 31 December 2015 no costs had yet been settled.

The directors consider their services to the Company to be incidental to their other duties and as such no remuneration has been apportioned to the Company.

No SBG share options were offered or exercised during the year.

4. **PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION**

The profit on ordinary activities before taxation is stated after charging:

	2015 £'000	2014 £'000
Depreciation - owned assets	<u>4</u>	<u>6</u>

Auditors' remuneration for audit services of £1,500 excluding VAT (2014: £1,500) has been borne by a fellow subsidiary, Sesame Services Limited, as was the case in the prior year. There were no non-audit fees in either year.

5. **TAXATION**

**Analysis of tax expense**

	2015 £'000	2014 £'000
Current tax: Tax	<u>2</u>	<u>8</u>
Total tax expense in income statement	<u>2</u>	<u>8</u>

**Factors affecting the tax expense**

The tax assessed for the year is equal to (2014: equal to) the standard rate of corporation tax in the UK.

	2015 £'000	2014 £'000
Profit on ordinary activities before income taxation	<u>9</u>	<u>37</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%)	<u>2</u>	<u>8</u>
Tax expense	<u>2</u>	<u>8</u>

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

5. TAXATION - continued

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.

6. TANGIBLE FIXED ASSETS

	Plant and machinery £'000
<b>COST</b>	
At 1 January 2015	
and 31 December 2015	<u>21</u>
<b>DEPRECIATION</b>	
At 1 January 2015	17
Charge for year	<u>4</u>
At 31 December 2015	<u>21</u>
<b>NET BOOK VALUE</b>	
At 31 December 2015	<u>-</u>
At 31 December 2014	<u>4</u>

7. DEBTORS

	2015 £'000	2014 £'000
Amounts owed by group undertakings	527	527
Deferred tax asset	<u>2</u>	<u>2</u>
	<u>529</u>	<u>529</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Further information relating to amounts owed by group undertakings is detailed in the Related Parties Disclosures in Note 12.

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

	2015 £'000	2014 £'000
At 1 January 2015	2	2
Deferred tax credit in income statement	<u>-</u>	<u>-</u>
At 31 December 2015	<u>2</u>	<u>2</u>

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

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015 £'000	2014 £'000
Amounts owed to group undertakings	2	2
Tax	10	8
Other payables	<u>1</u>	<u>-</u>
	<u>13</u>	<u>10</u>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. Further information is available in Note 12 Related Party Transactions.

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2015 £'000	2014 £'000
802,000	Ordinary shares	50p	<u>401</u>	<u>401</u>

10. RESERVES

	Retained earnings £'000
At 1 January 2015	177
Profit for the financial year	<u>7</u>
At 31 December 2015	<u>184</u>

11. ULTIMATE PARENT UNDERTAKING

The Company is owned by the following companies:-

Sesame Services Limited	3.00%
Optimum Investment Management Limited	41.25%
Sesame Desktop Services Limited	41.25%
Sesame Desktop Solutions Limited	14.50%

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](http://www.aviva.com)

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

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12. RELATED PARTY DISCLOSURES

	2015 £'000	2014 £'000
Included within amounts owed from group undertakings are:		
Sesame Services Limited	<u>527</u>	<u>527</u>

	2015 £'000	2014 £'000
Included within amounts due to group undertakings are:		
SB Loan Administration Limited	<u>2</u>	<u>2</u>
	<u>2</u>	<u>2</u>

13. FIRST YEAR ADOPTION

There were no transitional adjustments required as a result of the transition from the previous GAAP to FRS 101. As such, the comparative information presented in these financial statements is consistent with the prior year financial statements.