

REGISTERED NUMBER: 02543561 (England and Wales)

**Strategic Report, Report of the Director and
Audited Financial Statements for the Year Ended 31 December 2014
for
Journey Financial Advice Limited**

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for the Year Ended 31 December 2014**

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Journey Financial Advice Limited

**Company Information
for the Year Ended 31 December 2014**

DIRECTOR: J Cowan

SECRETARY: Friends Life Secretarial Services Limited

REGISTERED OFFICE: Pixham End
Dorking
Surrey
RH4 1QA

REGISTERED NUMBER: 02543561 (England and Wales)

INDEPENDENT AUDITORS: Ernst & Young LLP
The Paragon
Counterslip
Bristol
BS1 6BX

**Strategic Report
for the Year Ended 31 December 2014**

The director presents his strategic report of Journey Financial Advice Limited (the "Company") for the year ended 31 December 2014.

REVIEW OF BUSINESS

During the year a profit before tax of £36,725 (2013: loss of £5,276) 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. The Company currently has 17 self-employed trainee advisers, the majority of which are currently progressing through studies with the FAS.

On 20 April 2015 the proposed winding down of the FAS was announced. The FAS, and the Company, will continue to support existing students but the FAS will no longer seek to recruit new students as Sesame Bankhall Group will no longer be able to offer them a prospective home with its adviser network.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is 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.

KEY PERFORMANCE INDICATORS

The director draws attention to the following figures which are used to monitor business performance:

	2014	2013
Number of new FAS students inducted as advisers	11	24

ON BEHALF OF THE BOARD:


J. Cowan - Director

21 September 2015

**Report of the Director
for the Year Ended 31 December 2014**

The director presents his report with the financial statements of Journey Financial Advice Limited (the "Company") for the year ending 31 December 2014.

During the period and until 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 ACTIVITY

The principal activity of the Company in the period 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 2014 (2013: £nil).

FUTURE DEVELOPMENTS

On 20 April 2015 the proposed winding down of the FAS was announced. The FAS, and the Company, will continue to support existing students but the FAS will no longer seek to recruit new students as Sesame Bankhall Group will no longer be able to offer them a prospective home with its adviser network.

DIRECTORS

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

G Higginson - resigned 7 January 2014

P Hooper - resigned 7 January 2014

J A Newman - appointed 8 January 2014, resigned 30 June 2015

J Cowan - appointed 23 June 2015

DIRECTORS AND OFFICERS - INDEMNITY AND INSURANCE

The Group 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 directors within the Group and were in force for the benefit of former directors of the Group during 2014. Copies are available for inspection at the Company's registered office.

**Report of the Director
for the Year Ended 31 December 2014**

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.

In addition, on 18 June 2015 Friends Life FPL Limited provided a letter of support indicating it would provide £20m of support to SBGL to ensure it is at all times in a position to meet its financial obligations as they fall due. This support has specifically been made available to fund costs associated with past business reviews, the costs associated with any future restructuring of SBGL and its subsidiaries, and any other funding requirements arising from the solvency or liquidity needs of SBGL Company or its subsidiaries.

The Director believes 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 Director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Consequently, he continues to adopt the going concern basis of accounting in the preparation of the annual financial statements.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is 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 he has taken all the 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.

**Report of the Director
for the Year Ended 31 December 2014**

AUDITORS

Following the change in control of the Friends Life Group of companies it is anticipated that Ernst & Young LLP will resign as the Company's auditors following the directors' approval of the report and accounts, confirming that there are no matters to be brought to the Company's attention under section 519 of the Companies Act 2006. PwC LLP will then be appointed by the directors as the Company's auditors.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'J. Cowan', with a horizontal line extending from the end of the signature.

J. Cowan - Director

21 September 2015

We have audited the financial statements of Journey Financial Advice Limited for the period ended 31 December 2014 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement, and related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 a Report of the Auditors 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 director and auditors

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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 director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Director 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.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit 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.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Richard Page (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP
Bristol

15 September 2015

**Profit and Loss Account
for the Year Ended 31 December 2014**

	Notes	2014 £'000	2013 £'000
TURNOVER		42	1
Administrative expenses		<u>5</u>	<u>6</u>
OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	37	(5)
Tax on profit/(loss) on ordinary activities	4	<u>8</u>	<u>(2)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>29</u>	<u>(3)</u>

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the current year or previous year.

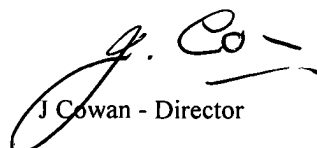
TOTAL RECOGNISED GAINS AND LOSSES

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

Balance Sheet
31 December 2014

	Notes	2014 £'000	£'000	2013 £'000	£'000
FIXED ASSETS					
Tangible assets	5		4		10
CURRENT ASSETS					
Debtors	6	529		529	
Cash at bank and in hand		<u>55</u>		<u>12</u>	
		584		541	
CREDITORS					
Amounts falling due within one year	7	<u>10</u>		<u>2</u>	
NET CURRENT ASSETS			<u>574</u>		<u>539</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>578</u>		<u>549</u>
CAPITAL AND RESERVES					
Called up share capital	8		401		401
Profit and loss account	9		<u>177</u>		<u>148</u>
SHAREHOLDERS' FUNDS	12		<u>578</u>		<u>549</u>

The financial statements were approved by the director on 21 September 2015 and were signed by:


J Cowan - Director

**Cash Flow Statement
for the Year Ended 31 December 2014**

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	1	<u>43</u>	<u>2</u>
Increase in cash in the period		<u>43</u>	<u>2</u>
Reconciliation of net cash flow to movement in net funds	2		
Increase in cash in the period		<u>43</u>	<u>2</u>
Change in net funds resulting from cash flows		<u>43</u>	<u>2</u>
Movement in net funds in the period		43	2
Net funds at 1 January		<u>12</u>	<u>10</u>
Net funds at 31 December		<u>55</u>	<u>12</u>

The notes form part of these financial statements

Journey Financial Advice Limited (Registered number: 02543561)

Notes to the Cash Flow Statement
for the Year Ended 31 December 2014

1. RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM
OPERATING ACTIVITIES

	2014 £'000	2013 £'000
Operating profit/(loss)	37	(5)
Depreciation charges	6	5
Increase in creditors	<u>-</u>	<u>2</u>
Net cash inflow from operating activities	<u>43</u>	<u>2</u>

2. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/14 £'000	Cash flow £'000	At 31/12/14 £'000
Cash at bank and in hand	<u>12</u>	<u>43</u>	<u>55</u>

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2014**

1. ACCOUNTING POLICIES

Accounting convention

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

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 Director's Report. The Company has an excess of assets over liabilities. As a consequence the director believes that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook.

The director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles require 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 director's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

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.

Tangible fixed assets

Depreciation is provided for on a straight line basis over four years in order to write off each asset over its estimated useful life.

Current tax

Taxation is based on the profits and income for the period 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 profit and loss account for the period, except to the extent that it is attributable to a gain or loss recognised outside the profit and loss account, in which case the current tax is recognised in the statement of total recognised gains and losses, or equity, as applicable

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2014**

1. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised on timing differences arising between the recognition of gains and losses in the financial statements and their recognition in a tax computation. 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 they are more likely than not to be regarded as recoverable against suitable taxable profits.

Deferred taxation is recognised in the profit and loss account for the period except to the extent that it is attributable to a gain or loss recognised outside the profit and loss account, in which case the deferred tax is recognised in the statement of total recognised gains and losses, or equity, as applicable. The deferred tax balances are not discounted.

2. STAFF COSTS

There were no staff costs for the year ended 31 December 2014 (2013: £nil).

The directors holding office during the period 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").

3. OPERATING PROFIT/(LOSS)

The operating profit (2013 - operating loss) is stated after charging:

	2014 £'000	2013 £'000
Depreciation - owned assets	<u>6</u>	<u>5</u>
	2014 £	2013 £
Directors' remuneration	<u>-</u>	<u>-</u>

The operating profit for the period was £36,725 (2013: loss £5,276).

Auditors' remuneration for audit services of £1,500 excluding VAT (2013: £2,000) has been borne by a fellow subsidiary, Sesame Services Limited, as was the case in the prior period. There were no non-audit fees in either year.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

4. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2014 £'000	2013 £'000
Current tax:		
UK corporation tax	8	-
Deferred tax	-	(2)
Tax on profit/(loss) on ordinary activities	<u>8</u>	<u>(2)</u>

Factors affecting the tax charge/(credit)

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

	2014 £'000	2013 £'000
Profit/(loss) on ordinary activities before tax	<u>37</u>	<u>(5)</u>
Profit/(loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.5% (2013 - 23.25%)	8	(1)
Effects of:		
Depreciation in excess of capital allowances	-	1
Current tax charge/(credit)	<u>8</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery £'000
COST	
At 1 January 2014 and 31 December 2014	<u>21</u>
DEPRECIATION	
At 1 January 2014	11
Charge for year	<u>6</u>
At 31 December 2014	<u>17</u>
NET BOOK VALUE	
At 31 December 2014	<u>4</u>
At 31 December 2013	<u>10</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'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 11.

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.

	2014 £'000	2013 £'000
At 1 January 2014	2	-
Deferred tax credit in profit and loss account	<u>-</u>	<u>2</u>
At 31 December 2014	<u>2</u>	<u>2</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014 £'000	2013 £'000
Amounts owed to group undertakings	2	2
Tax	<u>8</u>	<u>-</u>
	<u>10</u>	<u>2</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 11 Related Party Transactions.

8. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2014 £'000	2013 £'000
Number:	Class:	Nominal value:		
802,000	Ordinary shares	50p	<u>401</u>	<u>401</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

9. RESERVES

	Profit and loss account £'000
At 1 January 2014	148
Profit for the year	<u>29</u>
At 31 December 2014	<u><u>177</u></u>

10. 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 period was 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.

11. RELATED PARTY DISCLOSURES

	2014 £'000	2013 £'000
Included within amounts owed from group undertakings are:		
Sesame Services Limited	<u>527</u>	<u>527</u>
	2014 £'000	2013 £'000
Included within amounts due to group undertakings are:		
The Financial Advisor School Limited	<u>2</u>	<u>2</u>
	<u><u>2</u></u>	<u><u>2</u></u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2014

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Profit/(loss) for the financial year	<u>29</u>	<u>(3)</u>
Net addition/(reduction) to shareholders' funds	29	(3)
Opening shareholders' funds	<u>549</u>	<u>552</u>
Closing shareholders' funds	<u>578</u>	<u>549</u>

13. NON-ADJUSTING POST BALANCE SHEET EVENT

Aviva acquisition

On 19 January 2015, Friends Life Group Limited ("FLGL"), the ultimate parent company of the Company at that time, published a Scheme of Arrangement (the "Scheme") document in relation to the proposed acquisition by Aviva plc of the entire ordinary share capital of FLGL by way of a Scheme of Arrangement in accordance with Guernsey company law.

The acquisition received the approval of FLGL and Aviva's shareholders, and by the Guernsey Court. The Scheme became effective on 10 April 2015 and at that point the Company became part of the Aviva Group, with FLGL becoming a wholly-owned subsidiary of Aviva Group Holdings Limited.