

REGISTERED NUMBER: 02785381 (England and Wales)

**Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2021
for
Bankhall Support Services Limited**

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for the Year Ended 31 December 2021**

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Bankhall Support Services Limited

**Company Information
for the Year Ended 31 December 2021**

DIRECTORS:

J Cowan
M L F Golunska
S J Harris
V W C Kubitscheck
R Liston
K E McClellan
D Ogden
P Wilson

SECRETARY:

J Vince

REGISTERED OFFICE:

Aviva
Wellington Row
York
YO90 1WR

REGISTERED NUMBER:

02785381 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
No 1 Spinningfields
1 Hardman Square
Manchester
M3 3EB

**Strategic Report
for the Year Ended 31 December 2021**

The directors present their strategic report of Bankhall Support Services Limited (the "Company") for the year ended 31 December 2021.

REVIEW OF BUSINESS

Principal activities

Under the Bankhall brand the Company offers support services, including comprehensive regulatory support, to intermediary firms directly authorised by the FCA on either a bundled or individual basis. The Company is regulated by the Financial Conduct Authority ("FCA").

The Company is a member of the Sesame Bankhall group of companies. Sesame Bankhall Group ("SBG") forms part of the Aviva plc group of companies.

Significant events

During 2021 the COVID-19 pandemic continued to disrupt the UK economy. SBG continued to be affected by the disruption caused to the operations of financial product providers, the availability of financial products from these providers, changes to provider lending criteria, and the general disruption caused by restrictions on travel and social interactions. However, the impact of these challenges was mitigated by positive factors including the effect of Government market stimulus and the temporary reduced rates of Stamp Duty Land Tax. The combined effect of government stimulus, the proactive approach of member and client advisory firms, the commitment of SBG staff, and management actions have allowed the Company and SBG to avoid any significant financial impact from the pandemic.

From a financial perspective, management completed detailed analysis and stress testing of the capital and liquidity position of SBG and its subsidiaries throughout the pandemic to ensure all entities were well placed to manage any potential financial impact.

The Company itself has not been significantly impacted by the pandemic as client firms operating primarily in the wealth market were largely unaffected by the disruption caused to the housing market.

Financial position and performance

The financial position of the Company at 31 December 2021 is shown in the Statement of Financial Position on page 18, with the trading results shown in the Statement of Profit or Loss on page 16.

The Company's net assets have increased by £0.43m (2020: £0.16m increase).

Revenue for the year of £7.35m (2020: £6.64m) was consistent with management's expectations.

The number of clients receiving services from Bankhall increased by 0.5% (2020: 0.5% decrease) during the year.

The Company has continued to enhance the support services it offers by:

- Providing dedicated regional account managers whose sole purpose is to spend time with Bankhall clients, understanding their needs and ensuring ongoing support requirements are met.
- Implementing additional bespoke support for the specific requirements of larger firms.
- Revising, improving, and simplifying our menu of services. The Company will continue to make further additions and improvements in future years.

**Strategic Report
for the Year Ended 31 December 2021**

REVIEW OF BUSINESS - continued

Section 172(1) Statement and our Stakeholders

The directors report here on how they have discharged their duties under Section 172 of the Companies Act 2006.

Section 172 sets out a series of matters to which the directors must have regard to in performing their duty to promote the success of the Company for the benefit of its shareholders, which includes having regard to other stakeholders. Where this statement draws upon information contained in other sections of the Strategic report, this is signposted accordingly.

The Board considers it crucial that the Company maintains a reputation for high standards of business conduct. The Board is responsible for monitoring and upholding the culture, values, standards, ethics and reputation of the Company to ensure that our obligations to our shareholder, customers and other stakeholders are met and Management drives the embedding of the desired culture throughout the organisation. The Board monitors adherence to our policies and compliance with local corporate governance requirements and is committed to acting where our businesses fall short of the standards we expect.

For each matter which comes before the Board, stakeholders who may be affected are identified and their interests are carefully considered as part of the Board's decision-making process.

The Board is also focused on the wider social context within which our businesses operate, including those issues related to climate change which are of fundamental importance to the planet's well-being.

Our culture

The Company and SBG's culture are shaped, in conjunction with SBG's parent company, Aviva Life Holdings UK Limited, and its ultimate shareholder Aviva plc by jointly held and clearly defined values to help ensure it does the right thing.

SBG seeks to earn stakeholders' trust by acting with integrity and responsibility at all times. The Company looks to build relationships with all our stakeholders based on openness and continuing dialogue.

The Company values diversity and inclusivity in its workforce and beyond by creating an inclusive and supportive working environment, that enables the attraction and retention of a diverse work force, who are able to reach their full potential.

SBG has an established Inclusion Council which encompasses a group of colleagues from across the business who have a desire to support SBG to achieve its inclusion ambitions. The aim of this council is to be a driver of change and to make a difference for our people, advisers and their customers, by placing diversity and inclusion at the core of who we are and what we do.

Aviva has committed to be a Net Zero company by 2040 and has set the targets of being net-zero in operations, and to have cut the carbon intensity of its investment by 60%, by 2030. SBG is committed to assisting Aviva achieve these ambitious targets and in improving the sustainability of the Company's operations.

**Strategic Report
for the Year Ended 31 December 2021**

REVIEW OF BUSINESS - continued

Key strategic decisions, announcements, and achievements in 2021

For each matter that comes before the Board, the Board considers the likely consequences of any decision in the long term, identifies stakeholders who may be affected, and carefully considers their interests and any potential impact as part of the decision-making process.

SBG continues to invest in the Bankhall brand to ensure that advisers are able to respond to future changes and market opportunities with the ultimate aim of making a positive difference to the financial well-being of UK consumers.

Key strategic decisions made, initiatives implemented, and other announcements made during 2021 included the following:

- On 10 September 2021, World Suicide Prevention Day, SBG launched an adviser guide on suicide prevention developed by Action for Suicide Prevention in Insurance (Aspiin) in partnership with the Protection Distributors Group and SBG.
- On 15 September 2021 PMS mortgage club partnered with the Key Group to launch Later Life Solutions which will provide a range of support options for PMS firms members who either currently advise on equity release or are looking to qualify and enter this sector, as well as assisting advisory firms that prefer to refer this business to an established specialist in this market.
- On 20 December 2021 it was announced SBG had re-joined adviser body PIMFA as part of its aim to take a more active stance as a voice for advisers in the market.

In addition to specific adviser related initiatives during 2021 SBG made the following changes to its Executive Team and senior management structure:

- On 1 February 2021 S Batham, General Counsel, was promoted to the Executive Team as General Counsel and Chief Risk Officer.
- On 3 June 2021 C Ross was appointed to the new role of Proposition Director, heading a newly formed Propositions Team created to support the growth of services SBG offers to advisers across all brands and including wealth, mortgages, protection and specialist lending areas.

During 2021 the Company, SBG and its staff won the following awards:

- SBG won the Diversity Award at the Money Age Awards.

During 2021 the Company, SBG and its staff were also nominated as finalists for the following awards:

- Professional Adviser Awards: Best Support Service for Advisers (Bankhall)
- FT Diversity in Finance Awards: Championing Gender Equality (SBG)
- Financial Reporter Women's Recognition Awards: Woman in Specialist Lending (S Charman)
- Professional Adviser Women in Financial Advice Awards: Marketing Influencer of the Year (L Martin)
- Money Age Awards: Marketing Campaign of the Year (SBG)
- Scottish Mortgage Awards: Business Leader of the Year (R Liston)
- PIMFA Diversity & Inclusion Awards: Wellbeing Award (SBG)
- PIMFA Diversity & Inclusion Awards: Overall D&I Champion (M Golunska)
- Women in Insurance Awards: Role Model of the year (K Simmons, E Thomson, M Golunska, and J Reid)
- Mortgage Introducer Awards: Mortgage Distributor of the Year (SBG)

**Strategic Report
for the Year Ended 31 December 2021**

REVIEW OF BUSINESS - continued

Stakeholder Engagement

(i) Employees

The Company has no employees. The majority of staff engaged in the activities of the Company are employed by Sesame Services Limited, a fellow SBG subsidiary undertaking. Our people's well-being and commitment to serving our stakeholders is essential for our long-term success.

SBG's reward approach is designed to attract, motivate and retain high quality colleagues, regardless of gender, ethnicity, age, disability or any other factor unrelated to performance, contribution or experience. SBG is committed to equality of remuneration practices which is demonstrated through a variety of pledges.

SBG operates a consistent and robust performance management process to ensure that all colleagues are recognised and rewarded fairly in the context of individual performance. Personal development is actively encouraged through a variety of learning initiatives. Employees are encouraged to progress their careers internally and two new talent management programmes were launched during the year. SBG's competitive benefits package, which offers a range of contractual and voluntary benefits, is regularly enhanced and promotes the wellbeing of colleagues.

SBG's engagement mechanisms include employee forums, internal communication channels, informal meetings with the directors, and colleague engagement surveys. Employees have opportunities to voice their opinion and ask questions through Group wide question and answer sessions with the Group Chief Executive Officer and members of the Executive Team as well as Listening, Wellbeing, and D&I surveys, which are open to all employees. Face-to-face briefings and team meetings are actively encouraged and are held both face to face and virtually.

The SBG Executive Team and Board hold regular strategy days throughout the year which colleagues, when required, are able to join to provide 'on the ground' insight into the business.

SBG carries out a comprehensive employee engagement survey each year, and the results are considered by the SBG Board in context of the Company's culture, values and behaviours and actions to continually improve the results are discussed and agreed.

SBG is committed to providing equal opportunities to all employees, irrespective of their gender, sexual orientation, marital status, race, nationality, ethnic origin, disability, age, religion or union membership status. SBG is an inclusive employer and values diversity in its employees. These commitments extend to recruitment and selection, training, career development, flexible working arrangements, promotion and performance appraisal. Our 2021 gender pay gap results showed a significant improvement in both the mean and median gender pay gap, as well as a significant reduction in the mean bonus pay gap. SBG has a significant proportion of female leaders, including at Executive and Board level.

The Group also ensures that involvement for employees in its performance is encouraged by allowing eligible employees to participate in the Aviva Group's Save As You Earn Plan. There are also Executive share schemes in place for senior employees.

Following an extended period of home working linked to the COVID-19 pandemic, both SBG offices were re-designed to welcome back colleagues into a working environment that supported flexible working styles. A 'Flexible Office Working Policy' has been successfully embedded to offer flexibility and hybrid working arrangements to all office-based colleagues. SBG did not furlough anyone under the Coronavirus Job Retention Scheme.

**Strategic Report
for the Year Ended 31 December 2021**

REVIEW OF BUSINESS - continued

Stakeholder Engagement - continued

(ii) Customers and clients

The Board of the Company receives regular reporting on client outcomes and has utilised feedback, especially adverse points, to develop actions to improve communication, service, support and guidance, technology, and access to providers, lenders and products as a result of this feedback.

The SBG Board receives regular reporting on strategic initiatives throughout the year, undertaking deep dives into areas that impact advisers and their customers in order to re-align strategy where applicable. The SBG Board is supported by the SBG Executive Team, led by the Chief Executive Officer, to enable it to closely monitor management information, and subsequently engage with the senior leaders to address any issues that may arise from complaints, feedback and our approach to Treating Customers Fairly.

(iii) Suppliers

All SBG supplier related activity is managed in line with the Aviva Group Procurement & Outsourcing Business Standard. This ensures that supply risk is managed appropriately including in relation to customer outcomes, data security, corporate responsibility, financial, operational, contractual, and brand damage caused by inadequate oversight or supplier failure.

The Aviva plc Board reviews the actions the Aviva Group, including SBG, has taken to prevent modern slavery and associated practices in any part of the Group supply chain and approves the Aviva Group's Modern Slavery Act statement each year.

In the UK, the Company's ultimate parent, Aviva plc, is a signatory of the Prompt Payment Code which sets standards for high payment practices.

The Aviva Group, including SBG, is a Living Wage employer in the UK, and the Company's supplier contracts include a commitment by the supplier to pay their eligible employees not less than the Living Wage in respect of work provided to the Company at its premises in the UK.

The SBG Supplier Management Forum is closely involved in the management of the Company's most critical or important suppliers, and regularly review reports on their performance.

(iv) Communities

As a business the Company has a responsibility to our environment and local communities. The Company and SBG attempt to participate in activities that benefit society, such as reducing the Company's carbon footprint, supporting social or charitable causes, and enforcing ethical labour practices.

Recognising climate change presents risk and opportunities for customers, communities and business, Aviva is signed up to the United Nations Net-Zero Asset Owner Alliance commitment. As part of the Aviva Group, SBG is committed to Aviva's long-term strategy to reach net zero by 2040, and to support achieving this target the Aviva Group has defined climate risk preferences and operating risk limits. The Aviva plc Board approved the adoption of the new climate risk preferences during the year, along with its 2021-2023 Plan which takes the new climate risk preferences into consideration. SBG is committed to helping Aviva achieve these ambitious targets and in improving the sustainability of the Company's operations.

SBG continues to support the local community and charities close to employee's hearts with regular fundraising activity completed during 2021. The SBG Corporate Social Responsibility policy includes a 'voluntary hours' process, committing a total of 150 hours per year to enable employees to gain invaluable experience and skills, relative to the business, whilst supporting a good cause of their choice.

**Strategic Report
for the Year Ended 31 December 2021**

REVIEW OF BUSINESS - continued

Stakeholder Engagement - continued

(v) Shareholders

The Company's ultimate shareholder is Aviva plc and there is ongoing communication and engagement with the SBG parent entity, Aviva Life Holdings UK Limited. Any matters requiring escalation are escalated by the Board to its parent. Additionally, members of the Aviva Life Holdings UK Limited board can attend SBG Board meetings by invitation.

(vi) Our regulators

The Company is categorised as a 'flexible portfolio' firm under the FCA's supervision regime, which is the least intrusive form of supervision for FCA solo regulated firms. The Company is also classified as a 'Limited Scope' firm under the FCA's Senior Managers and Certification Regime (SMCR), due to the very limited nature of the regulated activities that it undertakes. The Company only holds permissions to make arrangements (with a view to transactions) in non-investment insurance contracts. It does not deal directly with retail or commercial customers and its permission is only required due to certain services (relating to pure protection / general insurance (GI) business) that it offers to authorised intermediary firms that purchase services from it. As such, regulation applies to its business activities in a very limited way.

SBG maintains a close relationship with the regulator both directly and via its relationship with Aviva. SBG notifies FCA of any material issues that FCA would reasonably expect notice of via its own internal processes, in conjunction with Aviva UK Life's Compliance Team.

Future outlook

The strategic direction of the Company is set by the directors of the Company following engagement with the Board of the parent company. The directors expect that the Company's principal activities will continue unchanged in the coming year.

Through the Company and its other trading subsidiaries SBG will continue to support network and directly authorised advisers to ensure they are able to respond to future challenges and market opportunities as they arise whilst also responding to the changing requirements of UK consumers. An emerging trend in the market is the acquisition of advice firms by larger advice businesses and Private Equity. This is being closely monitored as it creates opportunities and threats for SBG as services and established propositional preferences of acquired firms could change.

SBG will continue to build on its market leading propositions, including Bankhall, with the refinement of existing services and with the introduction of new and innovative products and propositions across its brands. This refinement and innovation will be achieved by leveraging the strength of SBG and will be designed to address emerging consumer needs, the changing demographic of consumers seeking financial advice, and the requirements of individual firms and advisers. SBG will also continue to develop and introduce technological innovations in the delivery of its services whilst ensuring the quality of services delivered and customer outcomes.

**Strategic Report
for the Year Ended 31 December 2021**

PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the principal risks and uncertainties facing the Company are no different to those generally applicable to businesses of its size, nature and complexity. These include, but are not restricted to, changes in the market within which the Company operates and the effect on its proposition of advances in technology and the general economic conditions for financial intermediaries. The Company's client base consists solely of financial intermediary firms.

External strategic risk factors beyond the Company's control that could cause actual results to differ materially from those estimated include, but are not limited to:

- The Company is exposed to any major economic downturn which impacts the investment, mortgage and protection markets, as this is likely to negatively affect the profitability of directly authorised client firms that purchase services from the Company. This in turn is likely to affect the ability of directly authorised client firms to purchase services from the Company
- The increased threat of cyber-attacks as a result of the COVID 19 pandemic and the Russia-Ukraine conflict.

COVID-19 continued to present uncertainty in 2021. Since the start of the pandemic the primary focus of the Company and SBG has been on the operational readiness and safety of our clients and staff, such that we continue to deliver on our promises. Our scale, diversity, and the strength of our entity balance sheets allowed us to meet all short-term challenges as they arose during 2020 and 2021 and will continue to do so in future periods. From a financial perspective COVID-19 has so far not had a significant impact on the Company or SBG however the effects of the pandemic continue to present unprecedented uncertainty that may adversely impact the results of the Company.

The Company faces regulatory risk, which includes the magnitude and pace of regulatory change faced by financial intermediaries at this time. Regulatory change has a direct resource impact on the Company.

The Company is exposed to operational risk, which is the risk of loss resulting from inadequate or failed processes, people, systems or external events. The Board of the Company sets appetites and tolerances for its operational risks. Senior management is responsible for managing these risks and achieving business objectives, whilst maintaining an effective and robust risk and control environment.

**Strategic Report
for the Year Ended 31 December 2021**

KEY PERFORMANCE INDICATORS

The directors consider that the Company's key performance indicators (KPIs) that communicate the financial performance are as follows:

	2021 £'000	2020 £'000
Continuing operations:		
Revenue	7,349	6,637
Operating profit	410	167
Profit before income tax	410	169
Profit for the year	426	161
Net assets	2,746	2,320

Non-financial KPIs include risk metrics which are reported and reviewed at the Executive Risk Committee and are subsequently reported to the SBG Board Risk Committee.

The Company measures client advocacy through the net promoter score (NPS) for the Bankhall brand which measures the likelihood of a client recommending Bankhall. The score is determined through collation of client feedback and a scoring system that gives greater weighting to lower scores ('detractors') than higher scores ('promoters'). The results are benchmarked against both prior year results and a representative sample of competitors and other firms within the financial services industry.

A further significant non-financial KPI is the number of clients receiving services from Bankhall:

	2021	2020
Closing number of clients	816	812

ON BEHALF OF THE BOARD:



M L F Golunska - Director

28 July 2022

**Report of the Directors
for the Year Ended 31 December 2021**

The directors present their report with the audited financial statements of the Company for the year ended 31 December 2021.

Certain information that is required in the Report of the Directors under the Companies Act has been disclosed in the Strategic Report on page 2.

DIVIDENDS

No interim dividend was paid during the current or prior year. The directors recommend that no final dividend should be paid.

The total distribution for the year will be £nil (2020: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report:

J Cowan
M L F Golunska
S J Harris
R Liston

Changes in directors holding office in the period from 1 January 2021 to the date of this report are as follows:

C Binmore - resigned 31 January 2021
K E McClellan - appointed 27 May 2021
P Wilson - appointed 27 May 2021
V W C Kubitscheck - appointed 16 December 2021
D S Miller - resigned 31 December 2021
D Ogden - appointed 11 April 2022
N Criticos - resigned 30 June 2022

COMPANY SECRETARY

Aviva Company Secretarial Services Limited resigned as Company Secretary on 1 September 2021 and J Vince was appointed as Company Secretary on 1 September 2021.

DIRECTORS AND OFFICERS - INDEMNITY AND INSURANCE

The directors 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 in section 234 of the Companies Act 2006.

Aviva plc, the Company's ultimate parent, 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 Report of the Directors by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

POLITICAL DONATIONS AND EXPENDITURE

The Company made no charitable or political donations (2020: £nil).

EMPLOYEES

The Company has no employees. The majority of employees engaged in the activities of the Company are employed by the fellow SBG subsidiary undertaking Sesame Services Limited. Disclosures relating to employees may be found in the annual report and financial statements of that company.

**Report of the Directors
for the Year Ended 31 December 2021**

APPROACH TO FINANCIAL RISK MANAGEMENT

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

Solvency Risk

Solvency risk is the risk that the Company does not have available sufficient financial resources to meet minimum regulatory capital resource requirements. The Company has a minimal exposure to solvency risk due to the controls put in place by the directors as well as the support provided by the parent company, Sesame Bankhall Group Limited. See Going Concern disclosure for further information.

During the year the Company was subject to FCA capital adequacy requirements for home mortgage and home finance firms, and insurance intermediaries. The directors regularly monitor capital, with reference to these regulatory requirements, as part of well-established reporting processes. The Company had a surplus on the most onerous test requirement of £2.2m at 31 December 2021 (2020: £2.2m).

Liquidity Risk

Liquidity risk is the risk that the company 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 due to the controls put in place by the directors as well as the support provided by the parent company, Sesame Bankhall Group Limited. See Going Concern disclosure for further information.

STATEMENT OF GOING CONCERN

The Company has a net asset position and a cash surplus, and it is forecast to be profitable in future periods with positive cash flows. As a result, the directors believe that 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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make reasonable and prudent judgements and accounting estimates;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 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 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Report of the Directors
for the Year Ended 31 December 2021**

DISCLOSURE OF INFORMATION TO AUDITORS

In accordance with section 418 of the Companies Act 2006, the directors in office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's External Auditors, PricewaterhouseCoopers LLP (PwC), is unaware and each director has taken all steps that ought to have been taken as a director in order to make themselves aware of any relevant audit information and to establish that PwC is aware of that information.

INDEPENDENT AUDITORS

Under the Competition and Markets Authority Regulations, the Company's ultimate parent Company, Aviva plc is required to tender for the provision of the external audit every 10 Years. PwC was appointed for the first time for the 31 December 2012 financial year end and therefore a mandatory re-tender was required for the year ending 31 December 2022. Following a full and rigorous competitive tender process, which was overseen by the Company's Audit Committee, the selection of EY was approved by the Aviva plc Board. PwC will continue in its role and, subject to reappointment by the Company's shareholders at the 2022 and 2023 Annual General Meetings, will undertake the audit for the financial years ending 31 December 2022 and 2023.

ON BEHALF OF THE BOARD:



M L F Golunska - Director

28 July 2022

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Bankhall Support Services Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Report of the Directors and Audited Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2021; the Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - continued

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to Financial Conduct Authority ("FCA") regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- Testing of journal entries based on specific risk criteria; and
- Discussions with management and those charged with governance to identify any known or suspected instances of non-compliance with laws and regulation and fraud.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - continued

Responsibilities for the financial statements and the audit - continued

Use of this report

This report, including the opinions, has been prepared for and only for the Company's directors 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.

OTHER REQUIRED REPORTING

Companies Act 2006 exception reporting

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

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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

28 July 2022

Bankhall Support Services Limited (Registered number: 02785381)

**Statement of Profit or Loss
for the Year Ended 31 December 2021**

		2021 £'000	2020 £'000
	Note		
CONTINUING OPERATIONS			
Revenue		7,349	6,637
Administrative expenses		<u>(6,939)</u>	<u>(6,470)</u>
OPERATING PROFIT		410	167
Finance income	5	<u>-</u>	<u>2</u>
PROFIT BEFORE INCOME TAX	6	410	169
Income tax	7	<u>16</u>	<u>(8)</u>
PROFIT FOR THE YEAR		<u>426</u>	<u>161</u>

The notes on pages 21 to 31 form part of these financial statements

Bankhall Support Services Limited (Registered number: 02785381)

**Statement of Comprehensive Income
for the Year Ended 31 December 2021**

	2021 £'000	2020 £'000
PROFIT FOR THE YEAR	426	161
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>426</u>	<u>161</u>

The notes on pages 21 to 31 form part of these financial statements

Bankhall Support Services Limited (Registered number: 02785381)**Statement of Financial Position
As at 31 December 2021**

	Note	2021 £'000	2020 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	-	-
Deferred tax	14	<u>200</u>	<u>184</u>
		<u>200</u>	<u>184</u>
CURRENT ASSETS			
Trade and other receivables	9	537	824
Tax receivable		7	7
Cash and cash equivalents	10	<u>2,860</u>	<u>2,403</u>
		<u>3,404</u>	<u>3,234</u>
TOTAL ASSETS		<u><u>3,604</u></u>	<u><u>3,418</u></u>
EQUITY			
Called up share capital	11	1,102	1,102
Share based payment reserve	12	180	180
Retained earnings	12	<u>1,464</u>	<u>1,038</u>
TOTAL SHAREHOLDERS' EQUITY		<u>2,746</u>	<u>2,320</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	<u>858</u>	<u>1,098</u>
TOTAL LIABILITIES		<u>858</u>	<u>1,098</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,604</u></u>	<u><u>3,418</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 July 2022 and were signed on its behalf by:



M L F Golunska - Director

The notes on pages 21 to 31 form part of these financial statements

Bankhall Support Services Limited (Registered number: 02785381)

**Statement of Changes in Equity
for the Year Ended 31 December 2021**

	Called up share capital £'000	Retained earnings £'000	Share based payment reserve £'000	Total equity £'000
Balance at 1 January 2020	1,102	877	180	2,159
Changes in equity				
Total comprehensive income	-	161	-	161
Balance at 31 December 2020	<u>1,102</u>	<u>1,038</u>	<u>180</u>	<u>2,320</u>
Changes in equity				
Total comprehensive income	-	426	-	426
Balance at 31 December 2021	<u>1,102</u>	<u>1,464</u>	<u>180</u>	<u>2,746</u>

The notes on pages 21 to 31 form part of these financial statements

Bankhall Support Services Limited (Registered number: 02785381)

**Statement of Cash Flows
for the Year Ended 31 December 2021**

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Cash generated from operations	17	457	592
Tax paid		<u>-</u>	<u>25</u>
Net cash generated from operating activities		<u>457</u>	<u>617</u>
 Cash flows from investing activities			
Interest received		<u>-</u>	<u>2</u>
Net cash generated from investing activities		<u>-</u>	<u>2</u>
 Increase in cash and cash equivalents		<u>457</u>	<u>619</u>
Cash and cash equivalents at beginning of year	18	2,403	1,784
 Cash and cash equivalents at end of year	18	<u><u>2,860</u></u>	<u><u>2,403</u></u>

The notes on pages 21 to 31 form part of these financial statements

1. STATUTORY INFORMATION

Bankhall Support Services Limited is a private company limited by shares. The Company is incorporated in the United Kingdom, registered in England and Wales, and domiciled in the United Kingdom. The Company's registered office is Aviva, Wellington Row, York, YO90 1WR.

2. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on a going concern basis and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared on the historical cost basis and have been prepared in pounds sterling.

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

New standards, interpretations and amendments to published standards that have been adopted by the Company

No new standards relevant to the Company became effective for the annual reporting year beginning on 1 January 2021.

Standards, interpretations and amendments to published standards that are not yet effective and have not been adopted early by the Company

The following new standards have been issued, are not yet effective, and are not expected to have a significant impact on the Company's financial statements:

- IFRS 17, Insurance Contracts - IFRS 17 is a comprehensive new accounting standard for insurance contracts, effective from 1 January 2023, which predominantly affect the timing of profit recognition for long term insurance contracts.

Going concern

The Company has a net asset position and a cash surplus, and it is forecast to be profitable in future periods with positive cash flows. As a result, the directors believe that 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.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, amounts refunded, VAT and other sales related taxes.

Services are provided by the Company under specific contracts which vary by client firm depending on the selection of services acquired. A standard transaction price is applied for each specific service and this price is fixed by the contract with the client firm. The bundle of services provided under a client firm contract serves as a single performance obligation and revenue is recognised across the contract period. Payment is taken on a monthly basis throughout the year and is received on a consistent basis with the timing of revenue recognition. There are no significant differences between the timing of cash collection and the completion of performance obligations.

2. ACCOUNTING POLICIES - continued

Dividend income

Dividend income from investments is recognised when the shareholders' rights to receive payments have been established.

Expense recognition

All expenses are recognised in the Statement of Profit or Loss as incurred.

Property, plant and equipment

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

Fixtures and fittings - between 3 to 5 years on varying rates

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered in to. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Income taxes

The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to components of other comprehensive income and equity as appropriate.

Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The rates enacted or substantively enacted at the Statement of Financial Position date are used to value the deferred tax assets and 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. Where there is a history of tax losses, deferred tax assets are only recognised in excess of deferred tax liabilities if there is convincing evidence that future profits will be available.

Deferred tax is provided on any temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred taxes are not provided in respect of any temporary differences arising from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction.

Current and deferred tax relating to items recognised in other comprehensive income and directly in equity are similarly recognised in other comprehensive income and directly in equity respectively, except for the tax consequences of distributions from certain equity instruments, to be recognised in the income statement.

Deferred tax related to any fair value re-measurement of available for sale investments, owner-occupied properties, pensions and other post-retirement obligations and other amounts charged or credited directly to other comprehensive income is recognised in the Statement of Financial Position as a deferred tax asset or liability.

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions.

Trade and other receivables

Trade and other receivables do not carry any interest and are carried at their amortised cost, less appropriate allowances for estimated irrecoverable amounts.

Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, and it is probable that the Company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the Statement of Financial Position date and are discounted to present value where the effect is material.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

Impairment losses

The Company reviews its trade receivables to assess impairment at least on a quarterly basis, in determining whether an impairment loss should be recorded in the Statement of Profit or Loss. In undertaking this review, the Company makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from these debtors before the decrease can be identified. This evidence may include observable data indicating that there has been an adverse change in the payment status of the debtor.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

4. EMPLOYEES AND DIRECTORS

All staff engaged in the trading activities of the Company are employed by Sesame Services Limited, the SBG service company. The costs associated with these staff members are recharged to the Company based on the proportion of time they spend working directly on the activities of the Company.

The costs recharged to the Company during the year were as follows:

	2021	2020
	£'000	£'000
Wages and salaries	3,893	3,463
Social security costs	198	436
Other pension costs	467	194
	<u>4,558</u>	<u>4,093</u>

The directors holding office during the year were employed and remunerated by Sesame Services Limited with their emoluments then apportioned between certain SBG companies. This recharge of directors' emoluments was based on an estimate of the share of directors' services provided to each company.

Directors' emoluments recharged to the Company during the year were:

	2021	2020
	£'000	£'000
Aggregate emoluments	304	277
Other Pension Costs	7	11
Total remuneration	<u>311</u>	<u>288</u>

The number of directors accruing benefits under pension schemes during the year was:

	2021	2020
Money purchase pension scheme	2	2

The emoluments of the highest paid director, attributable to the Company, were as follows:

	2021	2020
	£'000	£'000
Aggregate emoluments	86	93
Other Pension Costs	-	7
Total remuneration	<u>86</u>	<u>100</u>

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

5. FINANCE INCOME

	2021 £'000	2020 £'000
Deposit account interest	<u>-</u>	<u>2</u>

6. PROFIT BEFORE INCOME TAX

Auditors' remuneration for audit services of £44,310 excluding VAT (2020: £44,500) has been borne by a fellow SBG subsidiary, Sesame Services Limited, and recharged to the Company as was the case in the prior year. There were no non-audit fees in either year.

7. INCOME TAX

Analysis of tax (income)/expense

	2021 £'000	2020 £'000
Current tax:		
Corporation tax	-	(7)
Deferred tax	<u>(16)</u>	<u>15</u>
Total tax (income)/expense in Statement of Profit or Loss	<u>(16)</u>	<u>8</u>

Factors affecting the tax expense

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £'000	2020 £'000
Profit before income tax	<u>410</u>	<u>169</u>
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	78	32
Effects of:		
Change in future statutory tax rate	(48)	(24)
Losses surrendered intra-group for nil value	<u>(46)</u>	<u>-</u>
Tax (income)/expense	<u>(16)</u>	<u>8</u>

During 2021 the UK Government enacted an increase in the UK corporation tax rate to 25%, from 1 April 2023. This revised rate has been used in the calculation of the Company's deferred tax assets as at 31 December 2021 and increased the Company's deferred tax assets by £48k.

During 2020, the reduction in the UK corporation tax rate that was due to take effect was cancelled, and as a result, the rate remained at 19%. This rate was used in the calculation of the Company's deferred tax assets as at 31 December 2020 and increased the Company's deferred tax assets by £23k.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

7. INCOME TAX - continued

Tax assets and liabilities

(a) Current tax

Current tax assets receivable in more than one year are £nil (2020: £7k).

8. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £'000
COST	
At 1 January 2021	
and 31 December 2021	<u>2</u>
ACCUMULATED DEPRECIATION	
At 1 January 2021	
and 31 December 2021	<u>2</u>
NET BOOK VALUE	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

9. TRADE AND OTHER RECEIVABLES

	2021 £'000	2020 £'000
Trade receivables	220	217
Amounts owed by group undertakings	127	560
Prepayments and accrued income	<u>190</u>	<u>47</u>
	<u>537</u>	<u>824</u>

Trade receivables are reported at the amounts at which they are expected to be received after allowing for bad debts, which are assessed individually. Impairment of trade receivables is reported as an expense.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses (ECLs) which uses a lifetime expected loss allowance for all trade receivables and contract assets. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Amounts owed by group undertakings are regarded as current assets based upon the intention with which these financial assets are held. These amounts 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 Party Disclosures in Note 16.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

9. TRADE AND OTHER RECEIVABLES - continued

As at 31 December 2021, trade receivables of £144,000 aged over 3 months (2020: £174,000) were past due and full provision has been made for these amounts. No trade receivables past due were unimpaired at 31 December 2021 (2020: £nil). Movement on the bad debt provision for impairment of trade receivables is as follows:

	2021	2020
	£'000	£'000
Balance at 1 January	174	197
Provision for receivables	(23)	18
Receivables written off during the year	<u>(7)</u>	<u>(41)</u>
Balance at 31 December	<u>144</u>	<u>174</u>

10. CASH AND CASH EQUIVALENTS

	2021	2020
	£'000	£'000
Bank current account	<u>2,860</u>	<u>2,403</u>

Bank balances and cash comprise cash held by the Company and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£'000	£'000
1,102,200 (2020: 1,102,200)	Ordinary	£1	<u>1,102</u>	<u>1,102</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

12. RESERVES

	Retained earnings £'000	Share based payment reserve £'000	Totals £'000
At 1 January 2021	1,038	180	1,218
Profit for the year	<u>426</u>	<u>-</u>	<u>426</u>
At 31 December 2021	<u>1,464</u>	<u>180</u>	<u>1,644</u>

13. TRADE AND OTHER PAYABLES

	2021 £'000	2020 £'000
Amounts owed to group undertakings	800	1,029
Accruals and deferred income	<u>58</u>	<u>69</u>
	<u>858</u>	<u>1,098</u>

Trade payables and other short-term liabilities are stated at their nominal value, without discounting. These principally comprise amounts outstanding for trade purchases and ongoing expenses and costs. The directors consider that the carrying amount of trade and other payables approximates to their fair value.

Amounts owed to group undertakings are regarded as current liabilities. Further information relating to amounts owed to group undertakings is detailed in the Related Party Disclosures in Note 16.

14. DEFERRED TAX

The Company has recognised a deferred tax asset in relation to depreciation in excess of capital allowances for the current year.

	2021 £'000	2020 £'000
Balance at 1 January	(184)	(199)
Current year movement	<u>(16)</u>	<u>15</u>
Balance at 31 December	<u>(200)</u>	<u>(184)</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

14. DEFERRED TAX - continued

The net deferred tax asset arises on the following items:

	2021 £'000	2020 £'000
Accelerated capital allowances	<u>(200)</u>	<u>(184)</u>
Balance at 31 December	<u>(200)</u>	<u>(184)</u>

The deferred tax asset held at 31 December is expected to be utilised as follows:

	2021 £'000	2020 £'000
Within 1 year	(35)	(32)
After 1 year	<u>(165)</u>	<u>(152)</u>
Balance at 31 December	<u>(200)</u>	<u>(184)</u>

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. In entities where there is a history of tax losses, deferred tax assets are only recognised in excess of deferred tax liabilities if there is convincing evidence that future taxable profits will be available. Where this is the case, the directors have relied on business plans supporting future profits.

15. ULTIMATE PARENT COMPANY

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

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

The smallest group in which the results of the Company were consolidated for the year was that headed by Aviva plc. Copies of Aviva plc financial statements 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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

16. RELATED PARTY DISCLOSURES

	2021 £'000	2020 £'000
Included within amounts owed by group undertakings are:		
Premier Mortgage Service Limited	<u>127</u>	<u>560</u>
	<u>127</u>	<u>560</u>
Included within amounts owed to group undertakings are:		
Sesame Services Limited	<u>800</u>	<u>1,029</u>
	<u>800</u>	<u>1,029</u>

During the year there have been management charges, intercompany recharges, and intercompany account settlements between SBG companies. The purpose of the management and intercompany recharges is to recognise expenses in the correct statutory company. During the year Sesame Services Limited, the SBG service company, charged £6.5m (2020: £6.1m) of management charges to the Company. These management charges include overheads and staff costs incurred by Sesame Services Limited which relate to the trading activity of the Company.

During the year the Company recognised commission income of £2.4m (2020: £2.1m) from Premier Mortgage Service Limited, a fellow SBG subsidiary, relating to GI and Protection sales originating from client firms of the Company. This income is disclosed within Revenue in the Statement of Profit or Loss.

17. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2021 £'000	2020 £'000
Profit before income tax	410	169
Finance income	<u>-</u>	<u>(2)</u>
	410	167
Decrease in trade and other receivables	287	42
(Decrease)/increase in trade and other payables	<u>(240)</u>	<u>383</u>
Cash generated from operations	<u>457</u>	<u>592</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

18. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2021

	31/12/21	1/1/21
	£'000	£'000
Cash and cash equivalents	<u>2,860</u>	<u>2,403</u>

Year ended 31 December 2020

	31/12/20	1/1/20
	£'000	£'000
Cash and cash equivalents	<u>2,403</u>	<u>1,784</u>