

REGISTERED NUMBER: 02785381 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2022
for
Bankhall Support Services Limited**



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for the Year Ended 31 December 2022**

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Bankhall Support Services Limited

**Company Information
for the Year Ended 31 December 2022**

DIRECTORS:

J Cowan
S J Harris
V W C Kubitscheck
K E McClellan
D Ogden

SECRETARY:

J Vince

REGISTERED OFFICE:

Aviva
Wellington Row
York
YO90 1WR

REGISTERED NUMBER:

02785381 (England and Wales)

INDEPENDENT AUDITORS:

PricewaterhouseCoopers LLP
7 More London Riverside
London
SE1 2RT

**Strategic Report
for the Year Ended 31 December 2022**

The directors present their strategic report of Bankhall Support Services Limited (the "Company") for the year ended 31 December 2022.

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 private limited company, incorporated and domiciled in the United Kingdom. The Company is a member of the Sesame Bankhall Group of companies ("SBG"), which forms part of the Aviva plc group of companies.

Significant events

There were no significant events which materially affected the results of the Company during the year.

Financial position and performance

The financial position of the Company as at 31 December 2022 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 £0.12m (2021: £0.43m increase) due to the profit for the financial year.

Revenue for the year of £7.87m (2021: £7.35m) was consistent with management's expectations.

The number of clients receiving services from Bankhall decreased by 0.1% (2021: 0.5% increase) 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.

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.

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.

**Strategic Report
for the Year Ended 31 December 2022**

REVIEW OF BUSINESS - continued

Our culture

The Company and SBG's culture are shaped, in conjunction with the Sesame Bankhall Group Limited ("SBGL") 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 has a vision to be the market leader of professional services, helping financial advisers run successful businesses, enabling good consumer outcomes. Our people are key to delivering our strategy for our colleagues, advisers, end customers and shareholder. SBG's culture is shaped around three core values: community, expertise and passion.

SBG aims to create a collaborative environment that's welcoming to all and inclusive for everyone. Equality, diversity and inclusion is woven into everything we do.

The Company and SBG seek 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.

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.

Key strategic decisions, announcements, and achievements in 2022

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 2022 included the following:

- On 27 April 2022 SBG working in collaboration with two other mortgage distributors launched the Mortgage Climate Action Group.
- On 5 May 2022 SBG launched a Protection Pledge campaign to boost protection insurance take-up.
- On 30 June 2022 Bankhall and PMS Mortgage Club launched a new protection referral solution for directly authorised firms.
- On 20 July 2022 SBG launched a new client servicing platform for advisers in new partnership with Eligible.ai.
- On 25 July 2022 the Mortgage Climate Action Group announced its first event for advisers.
- On 23 August 2022 SBG launched a mortgage refinance support hub for advisers.
- On 18 October 2022 the Mortgage Climate Action Group unveiled a new website including HSBC-backed training programme.

During 2022 SBG and its staff won the following awards:

- SBG won Diversity Initiative of the Year at The Mortgage Awards (MoneyAge).
- SBG won Strategic Partner Performance award at the Legal & General Business Quality Awards.
- L Martin-Jones won Marketer of the Year at the Mortgage Industry Marketing Awards.
- J Cowan won the Bharat Sagar Lifetime Achievement Award at the British Mortgage Awards.
- SBG won Best Support Group/Compliance Service Award at the Protection Guru Awards.

**Strategic Report
for the Year Ended 31 December 2022**

REVIEW OF BUSINESS - continued

Key strategic decisions, announcements, and achievements in 2022 - continued

During 2022 SBG and its staff were also nominated as finalists for the following awards:

- Best Support Service for Advisers (Generalist): Professional Adviser Awards (Bankhall)
- Distributor of the Year: Scottish Mortgage Awards (SBG)
- Trailblazing Company of the Year: FT Adviser Diversity in Finance Awards (SBG)
- Best Support Service Provider: Money Marketing Awards (Bankhall)
- Diversity Award: MoneyAge Awards (SBG)
- Best Approach to Wellbeing Award: PIMFA Diversity & Inclusion Awards (SBG)
- Best D&I Initiative Award: PIMFA Diversity & Inclusion Awards (SBG)
- Outstanding Promotion of Protection: Cover Excellence Awards (SBG)

Stakeholder Engagement

The narrative below sets out our approach to stakeholder engagement during 2022.

(i) 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 SBGL 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 SBGL 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 customer engagement.

(ii) 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 values equality, diversity and inclusivity in its workforce and beyond, by creating an inclusive and supportive working environment. SBG looks to attract and retain 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 the Inclusion 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. We have been recognised through various awards for our achievements here.

SBG has a high performing workforce, with a focus on offering rewarding careers, with opportunity for new challenges, or career progression. Career conversations are held with all individuals to seek out future aspirations. We provide a variety of careers, which enable our people to deliver compliance support services across the adviser community.

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. Studies to achieve regulatory and vocational qualifications are supported financially by the SBG.

Personal development is actively encouraged through a variety of learning initiatives. Recently, two talent management programmes enabled a cohort of high performing individuals to learn additional knowledge, skills and behaviours, whilst carrying out a work-based stretch project. All designed to take delegates out of their comfort zone.

We have a highly engaged workforce, committed to delivering an exceptional service to our advisers. This is evidenced through our regular engagement surveys to colleagues. In our most recent colleague listening survey a significant proportion of colleagues said they would recommend SBG as a great place to work, a result which was well above the financial services benchmark.

**Strategic Report
for the Year Ended 31 December 2022**

REVIEW OF BUSINESS - continued

Stakeholder Engagement - continued

(ii) Employees - continued

SBG has a variety of engagement initiatives designed to create collaboration and interaction with colleagues. These include employee forums, conferences, townhalls and engagement surveys. Employees have opportunities to voice their opinion, ask questions and provide feedback.

Our focus on employee health, wellbeing and supportive practices demonstrates our people first approach: the results of our engagement surveys evidence that our employees believe SBG values their health and wellbeing. SBG provides the opportunity for colleagues to work in a hybrid manner in line with the SBG Flexible Office Working Policy. This policy enables individuals to benefit from the flexibility or hybrid working arrangements, which is well received and is reported to improve work life balance for colleagues.

Our approach to reward and recognition is designed to attract, motivate, and retain talent regardless of circumstance or background. SBG is committed to equality of remuneration practices, which is demonstrated through a variety of pledges. SBG rewards employees by offering a competitive benefits package, which includes a range of contractual and voluntary benefits. This is regularly enhanced and promotes the wellbeing of colleagues.

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.

The SBG Executive Team and Board hold strategy days throughout the year at which colleagues, when required, join them to provide 'on the ground' insight into the business. Regular sessions took place during the year with the Senior Leadership Team to share the strategy and plan for delivery.

2022 continued to be a challenging year and the cost-of-living crisis remains a concern for our people. SBG provided additional support during the year with a one-off financial payment to many colleagues and by subsidising the cost of employee lunches.

(iii) Suppliers

SBG operates in conjunction with a wide range of suppliers to deliver services to our customers. It is vital that we build strong working relationships with these 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.

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

REVIEW OF BUSINESS - continued

(iv) Communities

SBG recognises the importance of contributing to our local communities and is fully engaged in building resilience against the global impact of climate change. SBG participates in activities that benefit society, such as reducing the Company's carbon footprint, supporting social or charitable causes, and enforcing ethical labour practices.

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. An SBG Green Project team has been formed to help drive forward these goals.

To demonstrate SBG's commitment to green issues when dealing with mortgage applications, SBG is a founding partner of the Mortgage Climate Action Group. The aim of this group is to interpret new climate change legislation and engage with industry stakeholders to provide guidance and practical help for advisers.

SBG is nearing the achievement of a fund-raising target, which will support the build of a treatment room in the newly built St Ann's Hospice. We continue to fund the studies of 13 under-privileged children's education in Delhi through a charity, Turn Your Concern Into Action.

The SBG Corporate Social Responsibility policy enables colleagues to pledge 'voluntary hours' to a chosen charity. SBG has recently increased the number of volunteering hours, now providing 15 hours per employee each year, to support a good cause of their choice.

(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 company. 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 constructive and open 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.

REVIEW OF BUSINESS - continued

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.

The FCA Consumer Duty comes into force on 31 July 2023 for new and existing products and services. Following FCA publication of the final rules and guidance on 27 July 2022, SBG and the Company reviewed the new Consumer Duty and its alignment with our customer strategy, with a focus on ensuring the new Consumer Duty framework is fully embedded within SBG and appropriate oversight is in place. The Company, and all SBG companies, have implemented the requirements of the Consumer Duty Regulations during 2023 ahead of the effective date.

**Strategic Report
for the Year Ended 31 December 2022**

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 is primarily that of 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 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 current economic uncertainty continues to pose trading risks to the Company (e.g., pressure on margins). Heightened volatility is expected to persist with elevated inflation, rising interest rates, and stagnating economic growth.

The Company is exposed to operational risk (e.g., cyber 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. The management of these risks involves assessing the financial, reputational and conduct impact of each risk as set out in the SBG Risk Management Framework. Senior management is responsible for managing these risks and achieving business objectives, whilst maintaining an effective and robust risk and control environment.

The Company's approach to Financial Risk Management is set out in the Report of the Directors.

**Strategic Report
for the Year Ended 31 December 2022**

KEY PERFORMANCE INDICATORS

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

	2022	2021
	£'000	£'000
Revenue	7,869	7,349
Operating profit	158	410
Profit before income tax	158	410
Profit for the year	123	426
Net assets	2,869	2,746

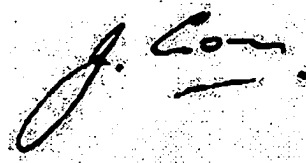
Non-financial KPIs include risk metrics which are reported and reviewed at the Executive Risk Committee and are subsequently reported to the SBGL Board Risk Committee.

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:

	2022	2021
Closing number of clients	809	816

ON BEHALF OF THE BOARD:



J Cowan - Director

27 July 2023

**Report of the Directors
for the Year Ended 31 December 2022**

The directors present their report with the audited financial statements of the Company for the year ended 31 December 2022.

Certain information that is required in the Report of the Directors under the Companies Act has been disclosed in the Strategic Report on pages 2-8.

DIVIDENDS

No interim ordinary dividends were declared and settled during the year ending 31 December 2022 (2021: £nil). The directors do not recommend a final dividend for the year ended 31 December 2022 (2021: £nil).

The total distribution for the year will be £nil (2021: £nil).

FUTURE OUTLOOK

Likely future developments in the business of the Company are discussed in the Strategic Report on page 7.

STAKEHOLDER ENGAGEMENT

Our statements summarising our employee engagement, and our engagement with suppliers, customers and our other stakeholders are included in the Strategic Report on pages 4-6.

DIRECTORS

The names of the current directors of the Company are shown on page 1.

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report:

J Cowan
S J Harris
K E McClellan
V W C Kubitscheck

Changes in directors holding office in the period from 1 January 2022 to the date of this report are as follows:

D Ogden - appointed 11 April 2022
N Criticos - resigned 30 June 2022
M L F Golunska - resigned 29 July 2022
R Liston - resigned 14 October 2022
P Wilson - resigned 30 June 2023

DIRECTORS AND OFFICERS - INDEMNITY AND INSURANCE

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.

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.

POLITICAL DONATIONS AND EXPENDITURE

The Company made no charitable or political donations (2021: £nil).

**Report of the Directors
for the Year Ended 31 December 2022**

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.

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, SBGL. See the 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 £2.5m as at 31 December 2022 (2021: £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, SBGL. See the Going Concern disclosure for further information.

STATEMENT OF 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 strategic report, which includes a section describing the principal risks and uncertainties.

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. The directors believe that the Company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

**Report of the Directors
for the Year Ended 31 December 2022**

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

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted 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;
- make judgements and accounting estimates that are reasonable and prudent; 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 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 also 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.

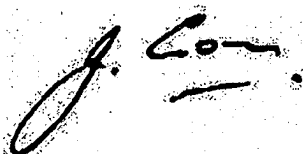
DISCLOSURE OF INFORMATION TO AUDITORS

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 Auditor, 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 Aviva plc Audit Committee, the selection of EY was approved by the Aviva plc Board. PwC will continue in its role and, following reappointment by the Company's shareholders at the Aviva plc 2023 Annual General Meeting, will undertake the audit for the financial year ending 31 December 2023.

ON BEHALF OF THE BOARD:



J Cowan - Director

27 July 2023

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 2022 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 Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 31 December 2022; 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 2022 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.

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.

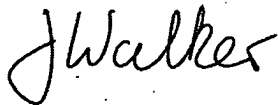
OTHER REQUIRED REPORTING

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.



Joseph Walker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 July 2023

Bankhall Support Services Limited (Registered number: 02785381)

**Statement of Profit or Loss
for the Year Ended 31 December 2022**

		2022 £'000	2021 £'000
	Note		
CONTINUING OPERATIONS			
Revenue		7,869	7,349
Administrative expenses		(7,711)	(6,939)
OPERATING PROFIT		<u>158</u>	<u>410</u>
PROFIT BEFORE INCOME TAX	5	158	410
Income tax	6	<u>(35)</u>	<u>16</u>
PROFIT FOR THE YEAR		<u><u>123</u></u>	<u><u>426</u></u>

The notes on pages 21 to 30 form part of these financial statements

Bankhall Support Services Limited (Registered number: 02785381)

**Statement of Comprehensive Income
for the Year Ended 31 December 2022**

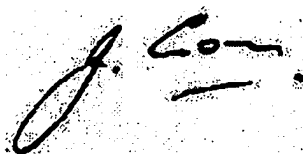
	2022 £'000	2021 £'000
PROFIT FOR THE YEAR	123	426
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>123</u>	<u>426</u>

The notes on pages 21 to 30 form part of these financial statements

Bankhall Support Services Limited (Registered number: 02785381)**Statement of Financial Position
as at 31 December 2022**

	Note	2022 £'000	2021 £'000
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	7	-	-
Deferred tax	13	<u>165</u>	<u>200</u>
		<u>165</u>	<u>200</u>
CURRENT ASSETS			
Trade and other receivables	8	986	537
Tax receivable		-	7
Cash and cash equivalents	9	<u>3,090</u>	<u>2,860</u>
		<u>4,076</u>	<u>3,404</u>
TOTAL ASSETS		<u>4,241</u>	<u>3,604</u>
EQUITY			
Called up share capital	10	1,102	1,102
Share based payment reserve	11	180	180
Retained earnings	11	<u>1,587</u>	<u>1,464</u>
TOTAL SHAREHOLDERS' EQUITY		<u>2,869</u>	<u>2,746</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	<u>1,372</u>	<u>858</u>
TOTAL LIABILITIES		<u>1,372</u>	<u>858</u>
TOTAL EQUITY AND LIABILITIES		<u>4,241</u>	<u>3,604</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 July 2023 and were signed on its behalf by:



J Cowan - Director

The notes on pages 21 to 30 form part of these financial statements

Bankhall Support Services Limited (Registered number: 02785381)

**Statement of Changes in Equity
for the Year Ended 31 December 2022**

	Called up share capital £'000	Retained earnings £'000	Share based payment reserve £'000	Total equity £'000
Balance at 1 January 2021	1,102	1,038	180	2,320
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>
Changes in equity				
Total comprehensive income	-	123	-	123
Balance at 31 December 2022	<u>1,102</u>	<u>1,587</u>	<u>180</u>	<u>2,869</u>

The notes on pages 21 to 30 form part of these financial statements

Bankhall Support Services Limited (Registered number: 02785381)

**Statement of Cash Flows
for the Year Ended 31 December 2022**

	Note	2022 £'000	2021 £'000
Cash flows from operating activities			
Cash generated from operations	16	223	457
Tax paid		<u>7</u>	<u>-</u>
Net cash generated from operating activities		<u>230</u>	<u>457</u>
Increase in cash and cash equivalents		230	457
Cash and cash equivalents at beginning of year	17	2,860	2,403
Cash and cash equivalents at end of year	17	<u>3,090</u>	<u>2,860</u>

The notes on pages 21 to 30 form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2022**

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 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 2022.

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

There are no new standards issued, which are not yet effective, that are expected to have a significant impact on the Company's financial statements.

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 strategic report, which includes a section describing the principal risks and uncertainties.

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. The directors believe that the Company is well placed to manage its business risks successfully.

After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt, and to consider appropriate, the going concern basis in preparing the financial statements.

2. ACCOUNTING POLICIES - continued

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.

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.

2. ACCOUNTING POLICIES - continued

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 investments, held at fair value through other comprehensive income, 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.

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.

Trade payables and other payables

Trade and other payables are not interest bearing and are stated at their amortised cost which is not materially different to cost and approximates to fair value.

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.

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:

	2022	2021 as restated
	£'000	£'000
Wages and salaries	4,041	3,893
Social security costs	518	467
Other pension costs	<u>218</u>	<u>198</u>
	<u>4,777</u>	<u>4,558</u>

The prior year comparative figures above have been restated to correct the disclosure of social security and other pension costs. This restatement only affects the disclosure above and has no further impact on the financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

4. EMPLOYEES AND DIRECTORS - continued

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:

	2022	2021
	£'000	£'000
Aggregate emoluments	285	304
Other Pension Costs	<u>4</u>	<u>7</u>
Total remuneration	<u>289</u>	<u>311</u>

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

	2022	2021
Money purchase pension scheme	1	2

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

	2022	2021
	£'000	£'000
Aggregate emoluments	84	86
Other Pension Costs	<u>-</u>	<u>-</u>
Total remuneration	<u>84</u>	<u>86</u>

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

5. PROFIT BEFORE INCOME TAX

Auditors' remuneration for audit services of £50,270 excluding VAT (2021: £44,310) 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.

6. INCOME TAX

Analysis of tax expense/(income)

	2022	2021
	£'000	£'000
Deferred tax	<u>35</u>	<u>(16)</u>
Total tax expense/(income) in statement of profit or loss	<u>35</u>	<u>(16)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

6. INCOME TAX - continued

Factors affecting the tax expense

The tax assessed for the year is higher (2021: lower) than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £'000	2021 £'000
Profit before income tax	<u>158</u>	<u>410</u>
Profit before income tax multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	30	78
Effects of:		
Change in future statutory tax rate	-	(48)
Losses surrendered intra-group for nil value	(3)	(46)
Movement in valuation of deferred tax	<u>8</u>	<u>-</u>
Tax expense/(income)	<u>35</u>	<u>(16)</u>

The UK Government has enacted an increase in the UK corporation tax rate to 25% to take effect from 1 April 2023. This rate has been used in the calculation of the Company's deferred tax assets as at 31 December 2021, and 31 December 2022, and increased the Company's deferred tax assets by £48k as at 31 December 2021.

Tax assets and liabilities

(a) Current tax

Current tax assets receivable in more than one year are £nil (2021: £nil).

7. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £'000
COST	
At 1 January 2022	
and 31 December 2022	<u>2</u>
ACCUMULATED DEPRECIATION	
At 1 January 2022	
and 31 December 2022	<u>2</u>
NET BOOK VALUE	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

8. TRADE AND OTHER RECEIVABLES

	2022 £'000	2021 £'000
Current:		
Trade receivables	612	220
Amounts owed by group undertakings	164	127
Prepayments and accrued income	<u>210</u>	<u>190</u>
	<u>986</u>	<u>537</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 15.

As at 31 December 2022, trade receivables of £240,000 aged over 3 months (2021: £144,000) were past due and full provision has been made for these amounts. No trade receivables past due were unimpaired as at 31 December 2022 (2021: £nil). Movement on the bad debt provision for impairment of trade receivables is as follows:

	2022 £'000	2021 £'000
Balance as at 1 January	144	174
Provision for receivables	108	(23)
Receivables written off during the year	<u>(12)</u>	<u>(7)</u>
Balance as at 31 December	<u>240</u>	<u>144</u>

9. CASH AND CASH EQUIVALENTS

	2022 £'000	2021 £'000
Bank current account	<u>3,090</u>	<u>2,860</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.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

10. CALLED UP SHARE CAPITAL

Alloited, issued and fully paid: Number:	Class:	Nominal value: £1	2022 £'000	2021 £'000
1,102,200 (2021:1,102,200)	Ordinary		<u>1,102</u>	<u>1,102</u>

11. RESERVES

	Retained earnings £'000	Share based payment reserve £'000	Totals £'000
At 1 January 2022	1,464	180	1,644
Profit for the year	<u>123</u>	<u>-</u>	<u>123</u>
At 31 December 2022	<u>1,587</u>	<u>180</u>	<u>1,767</u>

12. TRADE AND OTHER PAYABLES

	2022 £'000	2021 £'000
Amounts owed to group undertakings	1,316	800
Accruals and deferred income	<u>56</u>	<u>58</u>
	<u>1,372</u>	<u>858</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 15.

13. DEFERRED TAX

	2022 £'000	2021 £'000
Balance at 1 January	(200)	(184)
Current year movement	<u>35</u>	<u>(16)</u>
Balance at 31 December	<u>(165)</u>	<u>(200)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

13. DEFERRED TAX - continued

The net deferred tax asset arises on the following items:

	2022 £'000	2021 £'000
Accelerated capital allowances	<u>(165)</u>	<u>(200)</u>
Balance as at 31 December	<u><u>(165)</u></u>	<u><u>(200)</u></u>

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

	2022 £'000	2021 £'000
Within 1 year	(35)	(35)
After 1 year	<u>(130)</u>	<u>(165)</u>
Balance as at 31 December	<u><u>(165)</u></u>	<u><u>(200)</u></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.

14. ULTIMATE PARENT COMPANY

The immediate parent company is Sesame Bankhall Group Limited, a company incorporated in the United Kingdom and registered in England.

The ultimate parent undertaking and controlling party is Aviva plc, a company incorporated in the United Kingdom and registered in England.

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 2022

15. RELATED PARTY DISCLOSURES

	2022 £'000	2021 £'000
Included within amounts owed by group undertakings are:		
Premier Mortgage Service Limited	164	127
	<u>164</u>	<u>127</u>
Included within amounts owed to group undertakings are:		
Sesame Services Limited	1,316	800
	<u>1,316</u>	<u>800</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 £7.2m (2021: £6.5m) 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 £2.2m (2021: £2.4m) 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.

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

	2022 £'000	2021 £'000
Profit before income tax	158	410
(Increase)/decrease in trade and other receivables	(449)	287
Increase/(decrease) in trade and other payables	<u>514</u>	<u>(240)</u>
Cash generated from operations	<u>223</u>	<u>457</u>

17. 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 2022

	31/12/22 £'000	1/1/22 £'000
Cash and cash equivalents	<u>3,090</u>	<u>2,860</u>

Year ended 31 December 2021

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