

REGISTERED NUMBER: 03573352 (England and Wales)

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

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for the Year Ended 31 December 2021**

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Sesame Bankhall Group Limited

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

DIRECTORS:

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

SECRETARY:

J Vince

REGISTERED OFFICE:

Aviva
Wellington Row
York
YO90 1WR

REGISTERED NUMBER:

03573352 (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 Sesame Bankhall Group Limited (the "Company") for the year ended 31 December 2021.

REVIEW OF THE COMPANY'S BUSINESS

Principal activities

The principal activity of the Company in the year under review was that of an intermediate holding company for the Sesame Bankhall group of companies. Sesame Bankhall Group ("SBG") is a broadly-based financial services group, with a long-term vision and commitment to professional financial advice.

The Company is a member 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 actual financial impact of the pandemic on SBG and the Company has been insignificant.

During the year the Company received dividends from subsidiary companies of £4.00m (2020: £5.55m). For further information on these transactions see Note 5 and Note 9.

No impairments have been recognised against the carrying value of investments held in subsidiary undertakings in either the current or prior year. An impairment has been recognised during the year against minority investments in associate companies of £0.74m (2020: £1.30m). For further information on these impairments see Note 9.

Financial position and performance

The financial position of the Company at 31 December 2021 is shown in the Balance Sheet on page 19, with the trading results shown in the Income Statement on page 17.

The Company's net assets have increased by £3.2m (2020: £4.2m increase) due to dividends received from subsidiary entities.

To assess the performance of the Company, consideration needs to be given as to how the group of companies within the Company's control performed during the year. The performance of all controlled entities can be observed in the individual financial statements of those companies.

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

REVIEW OF THE COMPANY'S 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's culture is shaped, in conjunction with its 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 THE COMPANY'S 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 Sesame, Bankhall and PMS brands 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 28 January 2021 it was announced the PMS mortgage club and Sesame network had appointed West One Loans to their panels providing advisers with access to its buy-to-let products and end-to-end service.
- On 18 February Sesame network and PMS mortgage club appointed Castle Trust Bank to their panels providing access to its buy-to-let, bridging and development finance products.
- On 14 May 2021 SBG launched a new specialist lending panel of six leading master brokers for PMS mortgage club and Sesame network members. The master brokers included on the new specialist lending panel were 3mc, Brightstar, Crystal Specialist Finance, Impact Specialist Finance, Positive Lending and Watts Commercial.
- On 17 June 2021 it was announced Sesame network was launching new integration with Mortgage Brain CRM system, The Key, and digital identity experts GB Group to improve electronic identity and verification (EIDV) checks.
- On 9 July 2021 Sesame added L&G Home Finance to its later life lending panel, providing Sesame equity release qualified advisers with access to L&G's product offering, including its retirement interest-only mortgage, flexible lifetime mortgage, and optional payment lifetime mortgage.
- On 21 July 2021 Sesame network and PMS mortgage club added United Trust Bank to their lender panels providing Sesame and PMS advisers access to range of residential first charge mortgages and bridging finance. In addition, PMS members have access to the second charge product range.
- 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.

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

REVIEW OF THE COMPANY'S BUSINESS - continued

Key strategic decisions, announcements, and achievements in 2021 - continued

During 2021 SBG and its staff won the following awards:

- PMS was awarded Best Mortgage Club at the Mortgage Strategy Awards..
- SBG won the Diversity Award at the Money Age Awards.
- A Boag (Sesame) won BDM of the Year at the Scottish Mortgage Awards.

Sesame was also Highly Commended in the Network & Strategic Partner Quality Performance category at the Legal & General Business Quality Awards.

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

- Professional Adviser Awards: Best Support Service for Advisers (Bankhall)
- MoneyFacts Awards: Mortgage Network of the Year (Sesame)
- MoneyFacts Awards: Mortgage Club of the Year (PMS)
- 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)
- British Mortgage Awards: Business Leader - Network (R Liston)
- 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)

Stakeholder Engagement

(i) Employees:

The Company has no employees. The majority of employees engaged in the activities of SBG are employed by Sesame Services Limited, a subsidiary undertaking of the Company. 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.

The Company'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, at which colleagues, when required, join them 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 Board in the context of the Company's culture, values and behaviours and actions to continually improve the results are discussed and agreed.

REVIEW OF THE COMPANY'S BUSINESS - continued

Stakeholder Engagement - continued

(i) Employees: - continued

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.

SBG is committed to making reasonable adjustments for our people and also for candidates who are interested in working for us.

The Group remains focussed on employee health and wellbeing, supporting colleagues physical, mental, financial and social wellbeing.

SBG has three key community partners including Step Change (Debt charity), St Ann's (hospice) and Turn Your Concern into Action (educational support).

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.

(ii) Customers and clients

The SBG Board receives regular reporting on stakeholder outcomes across all brands, 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 Aviva 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.

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

REVIEW OF THE COMPANY'S BUSINESS - continued

Stakeholder Engagement - continued

(iii) Suppliers: - continued

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. SBG attempts 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 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.

(v) Shareholders

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

(vi) Our regulators

The subsidiary undertaking, Sesame Limited (SL), is categorised as a 'flexible portfolio' firm under the Financial Conduct Authority's (FCA's) supervision regime, which is the least intrusive form of supervision for FCA solo regulated firms. SL is also classified as an 'enhanced scope' firm for the purposes of the FCA's Senior Managers and Certification Regime (SMCR) meaning that, due to its size, there are additional requirements placed upon it by this regime, including further obligations placed upon Senior Managers and the requirement to provide the FCA with an updated Management Responsibilities Map whenever there is a material change to the responsibilities of Senior Managers or a material change to the governance structure/governing function holders within SL.

Bankhall Support Services Limited (BSSL), also a subsidiary undertaking (which is also categorised as a 'flexible portfolio firm'), is classified as a 'Limited Scope' firm under the SMCR, due to the very limited nature of the regulated activities that it undertakes. BSSL 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 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.

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

REVIEW OF THE COMPANY'S 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 consider that the Company's principal activities will continue unchanged for the foreseeable future.

Through its 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 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.

SBG has taken, and will continue to take, a proactive approach to tackling legacy issues. This responsible approach will deliver a positive outcome for both consumers and advisers and will continue to strengthen the trading base of SBG in future years.

SBG continues to enhance its core oversight activities to reflect the existing regulatory environment and the need for deeper evidence of controls and risk management. SBG takes a deliberate and rigorous approach to adviser segmentation and recruitment. This approach will ensure that a high quality, healthy, long-term business with robust systems and controls that demonstrate high quality outcomes for consumers is maintained.

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

PRINCIPAL RISKS AND UNCERTAINTIES

As an intermediate holding company, the principal risk faced by the Company is the diminution in the value of its investments, resulting in a charge against shareholder's equity and profit. A key valuation input is the net asset values of subsidiaries, which are subject to operational, financial, strategic and regulatory risks. The directors monitor the value of the Company's investments to ensure that any reduction in value is reflected in the Company's financial statements.

The Company has no requirement for operating cash and as such is not directly exposed to liquidity risk. The creditors and debtors of the Company relate primarily to amounts owed to, and amounts owed by, subsidiary undertakings.

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 risk of loss or adverse change in the financial situation (including the value of assets, liabilities and income) resulting directly or indirectly from fluctuations in the level or the volatility of market variables such as interest rates, inflation and property prices
- 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 SBG has been on the operational readiness and safety of our staff, the clients of our subsidiaries, 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 material impact on SBG, however the effects of the pandemic continue to present unprecedented uncertainty that may adversely impact the results of the Company's subsidiaries which may affect the valuation of investments in these subsidiaries and result in a future charge against shareholder's equity and profits.

The regulated subsidiaries of the Company face regulatory risk, which includes the magnitude and pace of regulatory change faced by financial intermediaries at this time. Significant regulatory change has material financial and human resource impacts on these subsidiaries.

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.

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 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
Profit before taxation	3,210	4,211
Profit for the financial year	3,220	4,218
Net assets	17,871	14,651

The most significant key performance indicators the Company uses to measure current and future investment performance are the financial results and forecasts of each of the companies in which it holds an investment.

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

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

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 dividends will be distributed for the year ended 31 December 2021 (2020: £nil).

FUTURE DEVELOPMENTS

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

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

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 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.

FINANCIAL INSTRUMENTS

As the Company is a holding company it is exposed to minimal risks in relation to financial instruments.

EMPLOYEES

The Company has no employees. The majority of employees engaged in the activities of the Company and its subsidiaries are employed by the 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**

GOING CONCERN

The directors of the Company manage liquidity across SBG as a whole and therefore when reviewing the position of any single entity liquidity should also be considered on a group wide basis. By utilising the Company's current cash surplus, and through the receipt of dividends from profit making subsidiaries, the Company can support subsidiary undertakings as required whilst also managing its current liability position. The Company has a net asset position and a cash surplus. As a holding company, the Company is not expected to incur trading losses or incur liabilities in future periods.

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 and they therefore continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

The directors of the Company have formally confirmed that the Company will continue to support the operations of Sesame Limited, a subsidiary undertaking, for a period of at least 12 months from the approval of date of the Sesame Limited audited financial statements 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 reported financial position. Suitable policies and procedures have been adopted by the Company to ensure an appropriate level of Financial Risk Management is directed at the relevant elements of the business.

Solvency risk

The regulated subsidiaries of the Company are exposed to solvency risk, which is the risk that a company does not have available sufficient financial resources to meet minimum regulatory capital resource requirements. The Company itself is not a regulated entity and does not have to meet minimum regulatory capital requirements.

Liquidity risk

Liquidity risk is the risk that a firm, although solvent, either does not have available sufficient financial resources to enable it to meet its obligations as they fall due or can only secure such resources at excessive cost.

The Company had a positive net asset position at year end and SBG as a whole also has a positive net asset position at the Balance Sheet date. Payables at the Balance Sheet date comprise balances payable to fellow SBG companies. The directors manage liquidity across SBG as a whole thus mitigating the exposure of the Company to liquidity risk.

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

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

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 these 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 United Kingdom Accounting Standards, comprising FRS 101 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.

DISCLOSURE OF INFORMATION TO THE 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, Sesame Bankhall Group 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 for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); 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 Balance Sheet as at 31 December 2021; the Income Statement, Statement of Comprehensive Income and Statement of Changes in Equity 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 breaches of Companies Act or tax legislation, 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 journals. Audit procedures performed by the engagement team included:

- Testing of journal entries based on specific risk criteria back to corroborating evidence; 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

Income Statement
for the Year Ended 31 December 2021

	Note	2021 £'000	2020 £'000
TURNOVER		-	-
Other operating income		<u>(1)</u>	<u>-</u>
OPERATING LOSS		(1)	-
Other non-trading costs	4	<u>(789)</u>	<u>(1,353)</u>
		(790)	(1,353)
Income from fixed asset investments	5	4,000	5,555
Interest receivable and similar income	6	<u>-</u>	<u>9</u>
		<u>4,000</u>	<u>5,564</u>
PROFIT BEFORE TAXATION	7	3,210	4,211
Tax on profit	8	<u>10</u>	<u>7</u>
PROFIT FOR THE FINANCIAL YEAR		<u>3,220</u>	<u>4,218</u>

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

Sesame Bankhall Group Limited (Registered number: 03573352)

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

	2021 £'000	2020 £'000
PROFIT FOR THE FINANCIAL YEAR	3,220	4,218
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u><u>3,220</u></u>	<u><u>4,218</u></u>

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

Sesame Bankhall Group Limited (Registered number: 03573352)

**Balance Sheet
As at 31 December 2021**

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Investments	9	20,210	20,949
CURRENT ASSETS			
Debtors	10	25,079	25,123
Cash at bank and in hand		<u>17,506</u>	<u>13,506</u>
		42,585	38,629
CREDITORS			
Amounts falling due within one year	11	<u>(44,924)</u>	<u>(44,927)</u>
NET CURRENT LIABILITIES		<u>(2,339)</u>	<u>(6,298)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>17,871</u>	<u>14,651</u>
CAPITAL AND RESERVES			
Called up share capital	12	55,600	55,600
Share premium account	13	55,683	55,683
Accumulated losses	13	<u>(93,412)</u>	<u>(96,632)</u>
TOTAL SHAREHOLDERS' FUNDS		<u>17,871</u>	<u>14,651</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 30 form part of these financial statements

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

	Called up share capital £'000	Accumulated losses £'000	Share premium account £'000	Total equity £'000
Balance at 1 January 2020	55,600	(100,850)	55,683	10,433
Changes in equity				
Profit for the financial year and total comprehensive income	-	4,218	-	4,218
Balance at 31 December 2020	55,600	(96,632)	55,683	14,651
Changes in equity				
Profit for the financial year and total comprehensive income	-	3,220	-	3,220
Balance at 31 December 2021	55,600	(93,412)	55,683	17,871

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

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

1. ACCOUNTING POLICIES

Reporting entity

Sesame Bankhall Group 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.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
- the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1; and
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

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 period 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.

1. ACCOUNTING POLICIES - continued

Preparation of consolidated financial statements

The financial statements contain information about Sesame Bankhall Group Limited as an individual company and do not contain consolidated financial information as the parent of a group. The Company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its parent, Aviva plc, a company incorporated in Great Britain and registered in England and Wales.

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 and Report of the Directors.

The directors of the Company manage liquidity across SBG as a whole and therefore when reviewing the position of any single entity liquidity should also be considered on a group wide basis. By utilising the Company's current cash surplus, and through the receipt of dividends from profit making subsidiaries, the Company is able to support subsidiary undertakings as required whilst also managing its current liability position. The Company has a net asset position and a cash surplus. As a holding company, the Company is not expected to incur trading losses or incur liabilities in future periods.

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 and they therefore continue to adopt the going concern basis of accounting in the preparation of the annual financial statements.

The directors of the Company have formally confirmed that the Company will continue to support the operations of Sesame Limited, a subsidiary undertaking, for a period of at least 12 months from the approval of date of the Sesame Limited audited financial statements for the year ended 31 December 2021.

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

1. 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 Balance Sheet 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 Balance Sheet as a deferred tax asset or liability.

Investments and impairments

Investments are shown at cost less any provision considered necessary for impairment to value. The directors, on an annual basis, carry out a review for impairment of investment values.

For investments in subsidiaries the requirement for any impairment write-down is assessed by comparing the carrying value of the asset with the higher of net realisable value or value in use. The value in use is determined from estimated discounted future cash flows.

For investments in minority shareholdings in external trading entities the requirement for any impairment write-down is assessed by comparing the carrying value of the asset with the Company's share of the net assets of the entity.

Dividend income is recognised on a receipt's basis.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Critical accounting estimates include those used in the calculation of the investment impairments recognised in the year. This impairment calculation includes certain assumptions in the calculation of a relevant discount rate and management's estimate of the future cash flows of the subsidiary undertakings.

3. EMPLOYEES AND DIRECTORS

The Company has no employees and therefore there were no staff costs for the year ended 31 December 2021 (2020: £nil).

The directors holding office during the year were remunerated by Sesame Services Limited and these emoluments were then apportioned between SBG companies. Their services to the Company were considered to be incidental to their other duties and as such no remuneration (2020: £nil) has been apportioned to the Company.

For information the total remuneration payable across all SBG companies was as follows:

	2021 £'000	2020 £'000
Aggregate emoluments	1,651	1,573
Other pension costs	<u>51</u>	<u>53</u>
	<u>1,702</u>	<u>1,626</u>

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

	2021	2020
Money purchase pension scheme	<u>5</u>	<u>5</u>

SBG does not participate in a defined benefit pension scheme and therefore no costs relating to such schemes has been incurred.

Emoluments paid to the highest paid SBG director were:

	2021 £'000	2020 £'000
Aggregate emoluments of the highest paid director in SBG	209	209
Pension contributions in respect of the highest paid director	<u>5</u>	<u>12</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

4. OTHER NON-TRADING COSTS

	2021	2020
	£'000	£'000
Other non-trading costs	<u>(789)</u>	<u>(1,353)</u>

Other non-trading costs included impairments recognised against trade investments of £0.74m (2020: £1.30m). See Review of Business and Note 9 for further information.

5. INCOME FROM FIXED ASSET INVESTMENTS

	2021	2020
	£'000	£'000
Dividends receivable	<u>4,000</u>	<u>5,555</u>

During the year the Company received dividends from the following subsidiary entities:

	£'000
Sesame Services Limited	2,750
Premier Mortgage Service Limited	<u>1,250</u>
Total	<u>4,000</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£'000	£'000
Interest receivable	<u>-</u>	<u>9</u>

7. PROFIT BEFORE TAXATION

Auditors' remuneration for audit services of £11,130 excluding VAT (2020: £11,200) has been borne by a subsidiary undertaking as was the case in the prior year. There were no non-audit fees in either year.

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

8. TAX ON PROFIT

Analysis of tax income

	2021 £'000	2020 £'000
Current tax:		
Tax	<u>(10)</u>	<u>(7)</u>
Total tax credit in income statement	<u>(10)</u>	<u>(7)</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 taxation	<u>3,210</u>	<u>4,211</u>
Profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	610	800
Effects of:		
Expenses not deductible for tax purposes	-	1
Non-assessable income	(760)	(1,055)
Impairment of investment in associates	<u>140</u>	<u>247</u>
Tax credit	<u>(10)</u>	<u>(7)</u>

During 2021 the UK Government enacted an increase in the UK corporation tax rate to 25%, from 1 April 2023.

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%.

As the Company has no deferred tax assets or liabilities at the year end, there is no impact on the Company's net assets as a consequence of the amendments in the tax rates.

Tax assets and liabilities

(a) Current tax

Current tax assets receivable in more than one year are £10k (2020: £7k).

The Company has unrecognised capital losses of £600k (2020: £600k) to carry forward indefinitely against future capital gains.

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

9. INVESTMENTS

	Shares in group undertakings £'000	Trade investments £'000	Totals £'000
COST			
At 1 January 2021 and 31 December 2021	<u>394,705</u>	<u>4,268</u>	<u>398,973</u>
PROVISIONS			
At 1 January 2021	375,095	2,929	378,024
Provision for year	<u>-</u>	<u>739</u>	<u>739</u>
At 31 December 2021	<u>375,095</u>	<u>3,668</u>	<u>378,763</u>
NET BOOK VALUE			
At 31 December 2021	<u>19,610</u>	<u>600</u>	<u>20,210</u>
At 31 December 2020	<u>19,610</u>	<u>1,339</u>	<u>20,949</u>

On 21 April 2021 the investment in the dormant company Wealth Limited was transferred to the Company from the subsidiary company Sesame Limited.

In accordance with applicable accounting standards the directors undertake an annual impairment review of investments held. For 2021 this was carried out using a discounted future cash flow calculation covering a five-year period and an assessment of the net realisable value of the investment. As a result of this annual impairment review, there have been no additional impairments recognised in the year (2020: £nil).

The investments in subsidiaries at the Balance Sheet date comprise:

	Cost £'000	Provision £'000	Net book value £'000
Bankhall Support Services Limited	2,425	-	2,425
Premier Mortgage Service Limited	14,587	-	14,587
Sesame General Insurance Services Limited	5,800	(4,202)	1,598
Sesame Limited	252,576	(252,576)	-
Sesame Services Limited	119,317	(118,317)	1,000
Wealth Limited	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2021	<u>394,705</u>	<u>(375,095)</u>	<u>19,610</u>

All investments are in companies registered and incorporated in England and Wales. All investments represent 100% of the share capital in each subsidiary.

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

9. INVESTMENTS - continued

Trade investments include minority shareholdings in external trading entities. Investments held at the Balance Sheet date include the following:

Trade Investments	Principal Activity	Type of shares owned	Shareholding
Acre Platforms Limited	Software development	Ordinary	20%
Opal (UK) Holdings Limited	Provision of financial information	Ordinary	29%
Synergy Financial Products Limited	Lump sum and regular premium products	Ordinary	29%

A total impairment of £0.74m has been recognised against trade investments during the year (2020: £1.30m) with the impairment calculation based on an assessment of the net realisable value of these investments.

After the Balance Sheet date, the following transaction were completed:

- The investment held in Acre Platforms Limited was transferred to a parent entity, Aviva Group Holdings Limited, on 11 February 2022.
- The Company acquired a minority shareholding in the external trading company Eligible Ltd on 21 April 2022.

10. DEBTORS

	2021 £'000	2020 £'000
Amounts owed by group undertakings	25,000	25,000
Other receivables	63	113
Corporation tax - group relief	<u>16</u>	<u>10</u>
	<u>25,079</u>	<u>25,123</u>

The amounts owed by group undertakings relate to a subordinated loan arrangement which the Company entered into with Sesame Limited in a prior year. This loan can be recalled at any point however repayment only becomes due 2 years after notice is given.

As part of this transaction an intercompany creditor for £25,000,000 was created with Sesame Limited. This amount is repayable on demand, is interest free and is shown with the amounts owed to group undertakings.

Further information relating to amounts owed by group undertakings is detailed in the Related Party Disclosures in Note 15.

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

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£'000	£'000
Amounts owed to group undertakings	<u>44,924</u>	<u>44,927</u>

Amounts owed to group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand. Further information relating to amounts owed to group undertakings is detailed in the Related Party Disclosures in Note 15.

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£'000	£'000
55,600,001 (2020: 55,600,001)	Ordinary	£1	<u>55,600</u>	<u>55,600</u>

13. RESERVES

	Accumulated losses	Share premium account	Totals
	£'000	£'000	£'000
At 1 January 2021	(96,632)	55,683	(40,949)
Profit for the financial year	<u>3,220</u>	-	<u>3,220</u>
At 31 December 2021	<u>(93,412)</u>	<u>55,683</u>	<u>(37,729)</u>

14. ULTIMATE PARENT UNDERTAKING

The Company's immediate parent undertaking is Aviva Life Holdings UK 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

15. RELATED PARTY DISCLOSURES

	2021 £'000	2020 £'000
Included within amounts owed by group undertakings are:		
Sesame Limited	<u>25,000</u>	<u>25,000</u>
	<u>25,000</u>	<u>25,000</u>
Included within amounts owed to group undertakings are:		
Aviva Life Holdings UK Limited	1,475	1,475
Sesame Limited	35,890	35,890
Sesame Services Limited	<u>7,559</u>	<u>7,562</u>
	<u>44,924</u>	<u>44,927</u>

16. SUBSIDIARY UNDERTAKINGS

The subsidiary undertakings of the Company are listed below. Each undertaking operates mainly in its country of incorporation and has only one class of ordinary share capital in issue unless otherwise stated.

The registered office of all subsidiary undertakings is Aviva, Wellington Row, York, YO90 1WR unless otherwise stated.

Held directly by the Company	Nature of business	Incorporated in
Bankhall Support Services Limited	Support services company	England & Wales
Premier Mortgage Service Limited	Mortgage intermediary	England & Wales
Sesame General Insurance Services Limited	Insurance company	England & Wales
Sesame Limited	Financial adviser network	England & Wales
Sesame Services Limited	Services company	England & Wales
Wealth Limited	Dormant company	England & Wales
Held indirectly through subsidiary undertakings	Nature of business	Incorporated in
Gateway Specialist Advice Services Limited	Dormant company	England & Wales
Sesame Bankhall Valuation Services Limited	Panel management company	England & Wales
Sesame Group India Private Limited	Support services company	India
Sesame Regulatory Services Limited	Dormant company	England & Wales

On 21 April 2021 the investment in the dormant company Wealth Limited was transferred to the Company from the subsidiary company Sesame Limited.

Sesame Bankhall Valuation Services Limited has both Ordinary A and Ordinary B shares in issue and is 75% owned by Sesame Services Limited.