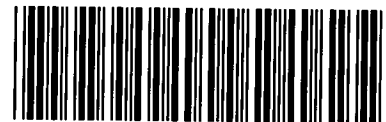


**REGISTERED NUMBER: 03573352 (England and Wales)**

**Strategic Report, Report of the Directors and  
Audited Financial Statements for the Year Ended 31 December 2020  
for  
Sesame Bankhall Group Limited**

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**Sesame Bankhall Group Limited (Registered number: 03573352)**

**Contents of the Financial Statements  
for the Year Ended 31 December 2020**

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**Sesame Bankhall Group Limited**

**Company Information  
for the Year Ended 31 December 2020**

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**DIRECTORS:**

J Cowan  
N Criticos  
M L F Golunska  
S J Harris  
K E McClellan  
D S Miller  
P Wilson

**SECRETARY:**

Aviva Company Secretarial Services Limited

**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 2020**

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The directors present their strategic report of Sesame Bankhall Group Limited (the "Company") for the year ended 31 December 2020.

**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**

On 11 March 2020 the World Health Organisation declared the outbreak of COVID-19 a global pandemic and the effect of the disruption caused by this pandemic has been an unprecedented shock to the UK economy.

In responding to the pandemic our initial priority was to look after our people so that they could continue to serve our customers, clients and advisers. All office-based staff were set up to work from home in March 2020, flexible working was offered to help individuals balancing caring responsibilities, and practical support has been given to protect the health and well-being of all staff. SBG has not furloughed anyone under the Coronavirus Job Retention Scheme and has not sought any other government or parental support during the pandemic.

In order to support our customers SBG launched its COVID-19 Adviser Support Hub on 24 March 2020 to help advisers and their clients through the pandemic. This hub was designed to help Sesame network members, PMS mortgage club members, Bankhall client firms, and the wider financial services community. SBG subsequently launched a Bounce Back Hub on 6 May 2020 to provide further support to adviser businesses. Additional specific actions were taken during the year, such as the provision of free health and wellbeing support to Sesame network members in April 2020, to help support adviser firms impacted by 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 has not been significant. The first Government enforced lockdown which started on 23 March 2020 paused the UK housing market and this had a negative impact on new business sales across the SBG trading subsidiaries. SBG was also negatively affected by the general disruption caused to the operations of financial product providers, the availability of financial products from these providers, changes to provider lending criteria, and the disruption caused by the furlough of financial advisers by advisory firms. 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 allowed the Company and SBG to avoid any significant financial impact from the pandemic.

During the year the Company received dividends from subsidiary companies of £5.55m (2019: £6.75m). The Company also received a £1.5m return of capital from a subsidiary company during the year (2019: £nil). For further information on these transactions see Note 5 and Note 9.

During the year no impairments were recognised against the carrying value of investments held in subsidiary undertakings (2019: £7.32m). An impairment has been recognised during the year against minority investments in associate companies of £1.30m (2019: £1.37m). For further information on these impairments see Note 9.

**Strategic Report  
for the Year Ended 31 December 2020**

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**REVIEW OF THE COMPANY'S BUSINESS - continued**

**Financial position and performance**

The financial position of the Company at 31 December 2020 is shown in the Balance Sheet on page 18, with the trading results shown in the Income Statement on page 16.

The Company's net assets have increased by £4.2m (2019: £2.0m decrease) due to dividends received during the year.

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.

**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.

The Board is responsible for monitoring and upholding the culture, values, standards, ethics, and reputation of the Company to ensure that the directors' obligations to its shareholders and stakeholders are met. The Board monitors adherence to the Aviva Group business standards and compliance with local corporate governance requirements and is committed to acting if our businesses should fail to act in the manner the Board expects.

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 customers' 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.

During 2020, an independent diversity and inclusion specialist was appointed to review SBG policies, practices, and culture to assist the Company in developing a diversity and inclusion strategy. The strategy subsequently implemented included the creation of an 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 council has been established 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 2020**

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**REVIEW OF THE COMPANY'S BUSINESS - continued**

**Key strategic decisions, announcements, and achievements in 2020**

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 2020 included the following:

- On 30 January 2020 Executive Chairman John Cowan confirmed SBG is exploring wealth management advice solutions, investigating how SBG could provide a more comprehensive service.
- On 28 February 2020 Bankhall and PMS mortgage club entered a protection support partnership with CI Expert to increase the protection support available to directly authorised firms.
- On 24 March 2020 SBG launched its COVID-19 adviser support hub to help advisers and their clients through the coronavirus pandemic. The hub provided advisers with a range of practical information and tools based on knowledge and guidance from across the financial services industry. It was designed to help support Sesame network members, PMS mortgage club members, Bankhall client firms, and the wider financial services community.
- On 8 April 2020 it was announced Sesame network would be offering advisers health and wellbeing support during the COVID-19 pandemic by providing free access to a range of services through specialist provider Care First.
- On 1 May 2020 Sesame network launched a new My Sesame portal giving members access to their digital services from one single login and making it easier for them to stay connected during the pandemic.
- On 6 May 2020 SBG launched a new bounce-back hub to help advisers through and beyond the COVID-19 pandemic. The hub provided Sesame network members, PMS mortgage club members, and Bankhall client firms with practical tools and information including analysis of the new normal, advice on business resilience and growth, and good news stories.
- On 8 July 2020 SBG launched its internal Inclusion Council to help move SBG forward in the spirit of transparency and accountability. The Council includes a group of colleagues from across SBG who have a keen interest in supporting the business to achieve its inclusion ambitions.
- On 2 September 2020 it was announced PMS had added six new providers to the Zenith protection panel. On the same day PMS launched its Fair Value Framework to help advisers ensure their recommended protection products deliver value to customers.
- On 17 September 2020 Sesame network partnered with Mortgage Brain to launch a bespoke software solution, exclusive for Sesame advisers, to enhance the service provided to customers following implementation of the FCA's revised Mortgage Advice and Selling Standards.
- On 2 October 2020 Sesame network announced that from 15 October a new single protection proposition would be available to network firms, including 16 providers, to ensure advisers and ultimately their customers have access to a wide choice of providers and products.
- On 30 October 2020 SBG partnered with Accord to launch an Accord Growth Series guide aimed at helping intermediaries handle the transition period between the existing Help to Buy scheme and the new scheme due in 2021.

During 2020 SBG and its staff won the following awards:

- SBG won an award for "Championing Women's Equality" at the Diversity in Finance Awards ceremony. This accolade builds on the award won in 2019 for "Championing Gender Equality".
- Stephanie Charman, SBG Specialist Lending and Relation Manager, was named Business Leader: Specialist Distribution at the British Specialist Lending Awards 2020 hosted by Mortgage Solutions.

Sesame was also highly commended at the Moneyfacts Awards 2020 in the Mortgage Network of the Year category.

**Strategic Report  
for the Year Ended 31 December 2020**

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**REVIEW OF THE COMPANY'S BUSINESS - continued**

**Key strategic decisions, announcements, and achievements in 2020 - continued**

During 2020 SBG and its staff were also nominated as finalists for the following awards:

- Mortgage Introducer Awards 2020: Marketing Campaign of the Year (SBG).
- Mortgage Introducer Awards 2020: Network of the Year (Sesame).
- Mortgage Introducer Awards 2020: Mortgage Club of the Year (PMS).
- Paymentshield Virtual Conference Awards 2020: Best GI Specialist (Harry Whiston).
- British Mortgage Awards 2020: Business Leader - Network (Richard Howells - Sesame).
- British Mortgage Awards 2020: Business Leader - Mortgage Club (Ross Liston - PMS).
- Mortgage Strategy Awards 2020: Best Network, 300+ ARs (Sesame).
- Mortgage Strategy Awards 2020: Best Mortgage Club (PMS).
- Money Marketing Awards 2020: Best Support Service (Bankhall).
- Professional Adviser Awards 2020: Best Support Service (Bankhall).

In addition to specific adviser related initiatives during 2020 SBG made the following changes to its Executive Team and senior management structure:

- On 15 January 2020 Michele Golunska was appointed Chief Executive Officer subject to regulatory approval (received in April 2020).
- On 1 July 2020 John Cowan changed role from Executive Chairman to Independent Non-Executive Chairman.
- On 24 September 2020 it was announced Matt Speed, the Global Customer Transformation Lead at Aviva, would be joining SBG as Digital & Data Lead from 5 October 2020.

**Stakeholder Engagement**

**(i) Employees:**

The Company has no employees. The majority of staff engaged in the activities of SBG are employed by Sesame Services Limited, a subsidiary undertaking of the Company. As part of SBG, these staff enjoy the benefit of SBG policies and benefits made available to them (which include certain Aviva policies and benefits).

The Company's engagement mechanisms include employee forums, internal communication channels, and informal meetings with the directors and employee engagement surveys.

The SBG Executive Team and Board hold regular strategy days throughout the year, at which staff when required are able to 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.

The Company's people share in the business' success as shareholders through membership of the Aviva Group's global share plans.

In responding to the COVID-19 pandemic our initial priority was to look after our people so that they could continue to serve our customers. All office-based staff were set up to work from home in March 2020, flexible working was offered to help individuals balancing caring responsibilities, and practical support has been given to protect the health and well-being of all staff. SBG has not furloughed anyone under the Coronavirus Job Retention Scheme.

**Strategic Report  
for the Year Ended 31 December 2020**

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**REVIEW OF THE COMPANY'S BUSINESS - continued**

**Stakeholder Engagement - continued**

**(ii) Customers and clients**

The SBG Board receives regular reporting on client 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 customers and clients 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 customer and client metrics, and subsequently engage with the senior leaders to address any issues that may arise from customer or client 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.

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.

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 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. In addition to regular fundraising activity during 2020 SBG donated 30 new laptops to a local Primary School in Manchester to support children and families who didn't have or were unable to provide the devices required for home schooling. 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.



## REVIEW OF THE COMPANY'S BUSINESS - continued

### Stakeholder Engagement - continued

#### (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 through the Chair 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 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.

### 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.

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 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 2020**

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**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 credit, market, regulatory, and operational 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 exposed to liquidity risk. The creditors and debtors of the Company relate primarily to amounts owed to, and amounts owed by, subsidiary undertakings.

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

- Market risk, 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 and property prices.
- Credit risk, the risk of adverse financial impact resulting from fluctuations in credit quality of third parties including default. This risk is limited as amounts owed to the Company comprise balances receivable from fellow SBG companies.
- Other risk factors that could materially impact the valuation inputs to the valuation of the Company's investment in subsidiaries, resulting in a charge against shareholder's equity and profits.
- COVID-19 presented a new uncertainty in 2020 and continues to do so in 2021. Since the start of the pandemic the primary focus of SBG has been on the operational readiness and safety of our customers and staff, such that we continue to deliver on our promises. Our scale, diversity, and the strength of our entity balance sheets allowed us to meet all short-term challenges as they arose during 2020 and 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 UK-EU Future Relationship Agreement came into effect on 1 January 2021, ending the Brexit transition period. It provides the scope for managed policy divergence or maintaining alignment if the UK chooses. The agreement will have evolving consequences in 2021 and beyond on future financial services and data regulation, UK-EU data transfers, EU market access and the UK economy which will require careful monitoring.

The Company's risk management policies are set out in the Report of the Directors.

**Strategic Report  
for the Year Ended 31 December 2020**

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**KEY PERFORMANCE INDICATORS**

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

	2020	2019
	£'000	£'000
Profit/(Loss) before taxation	4,211	(1,958)
Profit/(Loss) for the financial year	4,218	(1,955)
Net assets	14,651	10,433

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 relevant Board Risk Committee.

The Company measures customer advocacy through the net promoter score (NPS) for the Sesame, Bankhall and PMS brands. These scores measure the likelihood of a customer recommending each of the SBG brands. The score is determined through collation of customer 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 2021

**Report of the Directors  
for the Year Ended 31 December 2020**

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The directors present their report with the audited financial statements of the Company for the year ended 31 December 2020.

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 2020 (2019: £nil).

**FUTURE DEVELOPMENTS**

Likely future developments in the business of the Company are discussed in the Strategic Report on page 2.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report:

J Cowan  
N Criticos  
D S Miller

Changes in directors holding office in the period from 1 January 2020 to the date of this report are as follows:

S J Harris - appointed 13 January 2020  
M L F Golunska - appointed 20 April 2020  
C A Williams - resigned 7 December 2020  
C Binmore - resigned 31 January 2021  
K E McClellan - appointed 27 May 2021  
P Wilson - appointed 27 May 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 2020**

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**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 2020.

**FINANCIAL RISK MANAGEMENT POLICY**

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 risk management is directed at the relevant elements of the business.

**Credit risk**

The credit risk of the Company is limited as amounts owed to the Company comprise balances receivable from fellow SBG companies.

**Market risk**

As an intermediate holding company market risks result from fluctuations in the trading performance of the Company's subsidiary undertakings which directly affect the valuation of the investments in those subsidiary undertakings in the Company financial statements.

**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 2020**

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**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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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;
- 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 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 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.

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 the case of each director in office at the date the Report of the Directors is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**INDEPENDENT AUDITORS**

It is the intention of the directors to reappoint the auditors, PricewaterhouseCoopers LLP, under the deemed appointment rules of section 487 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**



M L F Golunska - Director

28 July 2021

## **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 2020 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 2020; 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 2020 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 the 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 which contained unusual account combinations 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](http://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 members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**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 2021

**Sesame Bankhall Group Limited (Registered number: 03573352)**

**Income Statement  
for the Year Ended 31 December 2020**

	Note	2020 £'000	2019 £'000
<b>TURNOVER</b>		<u>-</u>	<u>-</u>
<b>OPERATING PROFIT</b>		-	-
Other non-trading costs	4	(1,353)	(8,742)
		(1,353)	(8,742)
Income from fixed asset investments	5	5,555	6,750
Interest receivable and similar income	6	<u>9</u>	<u>34</u>
		<u>5,564</u>	<u>6,784</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	7	4,211	(1,958)
Tax on profit/(loss)	8	<u>7</u>	<u>3</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		<u>4,218</u>	<u>(1,955)</u>

The notes on pages 20 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 2020**

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	2020 £'000	2019 £'000
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>	4,218	(1,955)
<b>OTHER COMPREHENSIVE INCOME</b>	—	—
<b>TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR</b>	<u>4,218</u>	<u>(1,955)</u>

The notes on pages 20 to 30 form part of these financial statements

**Sesame Bankhall Group Limited (Registered number: 03573352)**

**Balance Sheet**  
**As at 31 December 2020**

		2020	2019
	Note	£'000	£'000
<b>FIXED ASSETS</b>			
Investments	9	20,949	22,515
<b>CURRENT ASSETS</b>			
Debtors	10	25,123	25,166
Cash at bank and in hand		<u>13,506</u>	<u>7,678</u>
		38,629	32,844
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>(44,927)</u>	<u>(44,926)</u>
<b>NET CURRENT LIABILITIES</b>		<u>(6,298)</u>	<u>(12,082)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>14,651</u>	<u>10,433</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	55,600	55,600
Share premium account	13	55,683	55,683
Accumulated losses	13	<u>(96,632)</u>	<u>(100,850)</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>14,651</u>	<u>10,433</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 July 2021 and were signed on its behalf by:



M L F Golunska - Director

The notes on pages 20 to 30 form part of these financial statements

**Sesame Bankhall Group Limited (Registered number: 03573352)**

**Statement of Changes in Equity  
for the Year Ended 31 December 2020**

	Called up share capital £'000	Accumulated losses £'000	Share premium account £'000	Total equity £'000
<b>Balance at 1 January 2019</b>	55,600	(98,895)	55,683	12,388
<b>Changes in equity</b>				
Loss for the financial year and total comprehensive loss	-	(1,955)	-	(1,955)
<b>Balance at 31 December 2019</b>	55,600	(100,850)	55,683	10,433
<b>Changes in equity</b>				
Profit for the financial year and total comprehensive income	-	4,218	-	4,218
<b>Balance at 31 December 2020</b>	55,600	(96,632)	55,683	14,651

The notes on pages 20 to 30 form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31 December 2020

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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 2020.

**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 and once effective it will replace IFRS 4 Insurance Contracts issued in 2004. Following the publication of an Exposure Draft of proposed amendments to IFRS 17 in June 2019, it is expected that the standard will apply to annual reporting periods beginning on or after 1 January 2023 at the earliest.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

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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 2020.

**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.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

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1. ACCOUNTING POLICIES - continued

**Income taxes - continued**

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. 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.



Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

3. EMPLOYEES AND DIRECTORS

The Company has no employees and therefore there were no staff costs for the year ended 31 December 2020 (2019: £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 (2019: £nil) has been apportioned to the Company.

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

	2020 £'000	2019 £'000
Aggregate emoluments	1,573	1,403
Other pension costs	<u>53</u>	<u>51</u>
	<u>1,626</u>	<u>1,454</u>

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

	2020	2019
Money purchase pension scheme	<u>5</u>	<u>4</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:

	2020 £'000	2019 £'000
Aggregate emoluments of the highest paid director in SBG	209	469
Pension contributions in respect of the highest paid director	<u>12</u>	<u>-</u>

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

4. OTHER NON-TRADING COSTS

	2020 £'000	2019 £'000
Other non-trading costs	<u>(1,353)</u>	<u>(8,742)</u>

Other non-trading costs include impairments recognised against subsidiary investments of £nil (2019: £7.32m), and impairments recognised against trade investments of £1.30m (2019: £1.37m). See Review of Business and Note 9 for further information.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

5. INCOME FROM FIXED ASSET INVESTMENTS

	2020	2019
	£'000	£'000
Dividend's receivable	<u>5,555</u>	<u>6,750</u>

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

	£'000
SB Loan Administration Limited	68
Premier Mortgage Service Limited	<u>5,487</u>
Total	<u>5,555</u>

6. INTEREST RECEIVABLE AND SIMILAR INCOME

	2020	2019
	£'000	£'000
Interest receivable	<u>9</u>	<u>34</u>

7. PROFIT/(LOSS) BEFORE TAXATION

Auditors' remuneration for audit services of £11,200 excluding VAT (2019: £10,500) has been borne by a subsidiary undertaking as was the case in the prior year. There were no non-audit fees in either year.

8. TAX ON PROFIT/(LOSS)

Analysis of tax income

	2020	2019
	£'000	£'000
Current tax:		
Tax	<u>(7)</u>	<u>(3)</u>
Total tax income in income statement	<u>(7)</u>	<u>(3)</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

8. TAXATION - continued

**Factors affecting the tax expense**

The tax assessed for the year is lower (2019: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £'000	2019 £'000
Profit/(loss) before taxation	<u>4,211</u>	<u>(1,958)</u>
Profit/(loss) before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	800	(372)
Effects of:		
Expenses not deductible for tax purposes	1	1,651
Non-assessable income	(1,055)	(1,282)
Impairment of investments	<u>247</u>	<u>-</u>
Tax credit	<u>(7)</u>	<u>(3)</u>

During 2020, the reduction in the UK corporation tax rate that was due to take effect from 1 April 2020 was cancelled and as a result, the rate has remained at 19%.

In the Budget of 3 March 2021, the UK Government announced that the UK corporation tax rate will increase to 25% from 1 April 2023. As of 31 December 2020, this measure had not been substantively enacted.

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 £7k (2019: £3k).

The Company has unrecognised capital losses of £600k (2019: £600k) to carry forward indefinitely against future capital gains.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

9. INVESTMENTS

	Shares in group undertakings £'000	Trade investments £'000	Totals £'000
<b>COST</b>			
At 1 January 2020	396,218	3,018	399,236
Additions	-	1,250	1,250
Return of capital	(1,513)	-	(1,513)
At 31 December 2020	<u>394,705</u>	<u>4,268</u>	<u>398,973</u>
<b>PROVISIONS</b>			
At 1 January 2020	375,095	1,626	376,721
Provision for year	-	1,303	1,303
At 31 December 2020	<u>375,095</u>	<u>2,929</u>	<u>378,024</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>19,610</u>	<u>1,339</u>	<u>20,949</u>
At 31 December 2019	<u>21,123</u>	<u>1,392</u>	<u>22,515</u>

During the year Premier Mortgage Service Limited made a distribution to the Company of £1.513m which has been recognised as a return of capital.

There were no investment additions during the year.

In accordance with applicable accounting standards the directors undertake an annual impairment review of investments held. For 2020 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 (2019: £6.00m).

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	<u>119,317</u>	<u>(118,317)</u>	<u>1,000</u>
At 31 December 2020	<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 2020

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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%

During the year the investment held in Opal (UK) Holdings Limited was impaired by £0.05m (2019 £0.12m) with the calculation based on the Company's share of the net assets of this entity.

In February 2020, prior to COVID-19 being declared a global pandemic, the Company made an additional investment of £1.25m in Acre Platforms Limited (Acre). The intended roll-out of the new Acre platform was scheduled to commence in late 2020 however the continuing economic uncertainty that has been created by the COVID-19 pandemic has led the Company to review its work on this project and the investment in Acre has therefore been fully impaired. The Company remains an investor in Acre and continues to assist in its development work in the directly authorised advice market, as part of the Company's commitment to encourage greater choice and technology innovation.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

10. DEBTORS

	2020	2019
	£'000	£'000
Amounts owed by group undertakings	25,000	25,000
Other receivables	113	163
Corporation tax - group relief	<u>10</u>	<u>3</u>
	<u>25,123</u>	<u>25,166</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.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£'000	£'000
Amounts owed to group undertakings	<u>44,927</u>	<u>44,926</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:	2020	2019
			£'000	£'000
55,600,001 (2019: 55,600,001)	Ordinary	£1	<u>55,600</u>	<u>55,600</u>

13. RESERVES

	Accumulated losses £'000	Share premium account £'000	Totals Totals £'000
At 1 January 2020	(100,850)	55,683	(45,167)
Profit for the financial year	<u>4,218</u>	<u>-</u>	<u>4,218</u>
At 31 December 2020	<u>(96,632)</u>	<u>55,683</u>	<u>(40,949)</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

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

15. **RELATED PARTY DISCLOSURES**

	2020 £'000	2019 £'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>7,562</u>	<u>7,561</u>
	<u>44,927</u>	<u>44,926</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.

<b>Held directly by the Company</b>	<b>Nature of business</b>	<b>Incorporated in</b>
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
<b>Held indirectly through subsidiary undertakings</b>	<b>Nature of business</b>	<b>Incorporated in</b>
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
Wealth Limited	Dormant company	England & Wales

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