

**Strategic Report, Report of the Directors and
Audited Financial Statements for the Year Ended 31 December 2019
for
Sesame Bankhall Group Limited**

**Contents of the Financial Statements
for the Year Ended 31 December 2019**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	9
Independent Auditors' Report	12
Income Statement	15
Statement of Comprehensive Income	16
Balance Sheet	17
Statement of Changes in Equity	18
Notes to the Financial Statements	19

Sesame Bankhall Group Limited

**Company Information
for the Year Ended 31 December 2019**

DIRECTORS:

C Binmore
J Cowan
N Criticos
M L F Golunska
S J Harris
D S Miller
C A Williams

SECRETARY:

Aviva Company Secretarial Services Limited

REGISTERED OFFICE:

Pixham End
Dorking
Surrey
RH4 1QA

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 2019**

The directors present their strategic report of Sesame Bankhall Group Limited (the "Company") for the year ended 31 December 2019.

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 2019 the carrying value of investments held in subsidiary undertakings was impaired by £7.32m (2018: £6.00m). The current year impairment includes £6.00m relating to an additional investment during the year in new shares issued by Sesame Limited, a subsidiary undertaking. The purpose of this additional investment was to support the regulatory capital surplus of this subsidiary. An impairment of £1.32m was also recognised against the subsidiary investment in Sesame General Insurance Services Limited based on an assessment of expected future performance of this entity. Additional impairments have also been recognised against the minority investments in Acre Platforms Limited (£1.25m) and Opal UK (Holdings) Limited (£0.12k). For further information on these impairments see Note 9.

During the year the Company received £6.75m of dividends from subsidiary companies. No dividends were received in the prior year.

2020 began with the outbreak of a new strain of the Coronavirus (COVID-19) in China. Following the spread of this virus outside of China the World Health Organisation announced the outbreak as a global pandemic on 11 March 2020. This pandemic has caused widespread economic disruption and the UK was put into government enforced lockdown from 23 March 2020. Whilst SBG has seen an overall reduction in transaction volumes as a result of the lockdown the rapidly evolving situation means that the ongoing impact is unclear and it is therefore not practicable to quantify the potential financial impact of the outbreak on SBG. A wide range of potential outcomes have been considered and modelled by management as part of the going concern assessment for SBG. This assessment indicates SBG has a high level of resilience which will allow it to effectively manage the impact of the ongoing pandemic for the foreseeable future. See Note 16 Events After the Reporting Period for further information.

Financial position and performance

The financial position of the Company at 31 December 2019 is shown in the Balance Sheet on page 17, with the trading results shown in the Income Statement on page 15.

The Company's net assets have decreased by £1.96m due primarily to the investment impairments noted above.

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 2019**

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.

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

As the provider of financial services to thousands of customers, 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'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. The Company values diversity and inclusivity in its workforce and beyond. The commitment the Company makes to each customer extends to all the Company's stakeholders; that is "with our advisors, we will make a positive difference to the financial well-being of UK consumers. We will lead by example to become one of the most recommended, recognised and trusted professional advice brands in Britain".

Key strategic decisions in 2019

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 initiatives implemented during 2019 included the following:

- On 17 January 2019 SBG launched a new apprenticeship scheme in partnership with training and education specialists Simply Academy, to help advisory firms across Sesame Network, PMS Mortgage Club, and Bankhall to bolster their staff development and recruitment.
- On 8 February 2019 Bankhall launched a new support hub covering the Senior Managers & Certification Regime (SM&CR) to help directly authorised firms to successfully embed the new regulatory changes ahead of their introduction in December 2019.
- On 8 March 2019 PMS Mortgage Club and Sesame Network launched a new Later Life Lending Hub to update advisers on the latest lender developments in the emerging Retirement Interest Only (RIO) market, including a quick reference guide with an overview of the key information advisers need to know, along with access to a panel of later life and equity release lenders.
- On 2 April 2019 SBG and Aviva announced a £5m investment in new technology start-up firm Acre Platforms Limited (Acre). Acre's objective is to develop the next-generation mortgage, protection and general insurance platform, to help transform the way advisers process business and service their clients. As an investor SBG continues to assist Acre in its development work as part of SBG's commitment to encourage greater choice and technology innovation in the advice market.

**Strategic Report
for the Year Ended 31 December 2019**

REVIEW OF THE COMPANY'S BUSINESS - continued

Key strategic decisions in 2019 - continued

- On 16 May 2019 PMS Mortgage Club launched a new financial crime and mortgage fraud prevention hub to assist directly authorised firms in protecting their businesses. The hub keeps mortgage advisers up to date on the latest emerging threats and provides practical guidance to help combat potential fraudulent mortgage activity.
- On 22 May 2019 PMS Mortgage Club and Sesame Network launched the Rewire Routines campaign to help improve advisers' protection conversations with their customers.
- On 4 June 2019 PMS Mortgage Club and Sesame Network announced a support package for advisers operating in the new build sector with the launch of a broker helpdesk, backed by new guidance and educational support.
- On 20 June 2019 PMS Mortgage Club and Sesame Network launched a new product transfer hub to help advisers prepared for the mortgage and refinance opportunities arising in the second half of 2019.
- On 4 November 2019 PMS Mortgage Club and Sesame Network announced a new series of specialist mortgage events for advisers taking place at 11 venues across the UK in November and December 2019. The sessions were supported by 48 lenders and helped advisers to explore and understand the latest innovations in the specialist market, along with new trends and developments.

In addition to specific adviser related initiatives during 2019 SBG also made a number of changes to its Executive Team structure:

- On 26 February 2019 Sesame Network appointed Richard Howells as Managing Director. This appointment followed the appointment of Ross Liston as Managing Director of Bankhall and PMS in November 2018.
- On 6 November 2019 SBG announced changes to its Executive Team structure. Stephen Harris joined as Chief Financial Officer subject to regulatory approval (received in January 2020) and Group Managing Director Martin Schultheiss left SBG. Michele Golunska was subsequently appointed Chief Executive Officer on 15 January 2020 subject to regulatory approval (received in April 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 Board holds regular strategy days throughout the year which staff are able to join when required 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.

**Strategic Report
for the Year Ended 31 December 2019**

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 are 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.

SBG is committed to supporting the local community and charities close to employee's hearts. 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 Aviva plc Board. 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.

**Strategic Report
for the Year Ended 31 December 2019**

REVIEW OF THE COMPANY'S BUSINESS - continued

Stakeholder Engagement - continued

(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 / GI business) that it offers to authorised intermediary firms that purchase services from it. As such, regulation applies to its business activities in a very limited way.

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

Future outlook

The strategic direction of the Company and SBG is set by the directors of the Company. The directors consider that the Company's principal activities will continue unchanged for the foreseeable future.

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 is taking a deliberate and rigorous approach to adviser segmentation and recruitment. This will ensure that a high quality, healthy, long-term business with robust systems and controls that demonstrate high quality outcomes for consumers is maintained.

SBG also continues to invest in the Sesame, Bankhall and PMS brands, under which its subsidiaries trade, to ensure that advisers are able to respond to future changes and market opportunities. SBG will build on its market leading propositions with the introduction of further improvements in the range of services offered so that they can be tailored to support the requirements of individual firms.

**Strategic Report
for the Year Ended 31 December 2019**

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 a diverse 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 currently 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 presents a new uncertainty in 2020. The primary focus of SBG is operational readiness and the 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 allows us to meet any short-term challenges. Notwithstanding this strength, COVID-19 has the potential to impact the trading performance of the Company's subsidiaries which may affect the valuation of these investments and result in a future charge against shareholder's equity and profits.

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

**Strategic Report
for the Year Ended 31 December 2019**

KEY PERFORMANCE INDICATORS

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

	2019 £'000	2018 £'000
Operating result	-	-
Loss before taxation	(1,958)	(6,255)
Loss for the financial year	(1,955)	(6,255)
Net assets	10,433	12,388

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.

The Company's principal non-financial KPI is 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 both prior year results and a representative sample of competitors and other firms within the financial services industry.

ON BEHALF OF THE BOARD:

MLF Golunska - Director

28 July 2020

**Report of the Directors
for the Year Ended 31 December 2019**

The directors present their report with the audited financial statements of the Company for the year ended 31 December 2019.

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 2019 (2018: £nil).

FUTURE DEVELOPMENTS

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

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report:

C Binmore
J Cowan
N Criticos
D S Miller

Changes in directors holding office in the period from 1 January 2019 to the date of this report are as follows:

C A Williams - appointed 16 May 2019
S J Harris - appointed 13 January 2020
M L F Golunska - appointed 20 April 2020

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 2019**

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 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.

The immediate parent company, Aviva Life Holdings UK Limited, has formally confirmed that it will provide limited liquidity support to the Company and its subsidiaries should this be required to meet their regulatory solvency and liquidity requirements. This support has been confirmed for a period of one year from the approval date of the Company's audited financial statements for the year ended 31 December 2019.

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 2019.

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 in order 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 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, Report of the Directors' and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing 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 IFRSs as adopted by the European Union and IFRSs issued by IASB 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.

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 Auditor, PricewaterhouseCoopers LLP, 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 PricewaterhouseCoopers LLP is 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:

MLF Golunska - Director

28 July 2020

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 2019 and of its loss 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 2019; the Income Statement, the Statement of Comprehensive Income, the 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

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

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.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS - continued

Reporting on other information - continued

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 the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

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 2019 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 Director's Responsibilities set out on page 11, 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.

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

Use of this report

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

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

28 July 2020

**Income Statement
for the Year Ended 31 December 2019**

	Note	2019 £'000	£'000	2018 £'000	£'000
TURNOVER			<u>-</u>		<u>-</u>
OPERATING PROFIT			-		-
Other non-trading costs	4		<u>(8,742)</u>		<u>(6,296)</u>
			(8,742)		(6,296)
Income from fixed asset investments	5	6,750		-	
Interest receivable and similar income	6	<u>34</u>		<u>41</u>	
			<u>6,784</u>		<u>41</u>
LOSS BEFORE TAXATION	7		(1,958)		(6,255)
Tax on loss	8		<u>3</u>		<u>-</u>
LOSS FOR THE FINANCIAL YEAR			<u>(1,955)</u>		<u>(6,255)</u>

The notes on pages 19 to 30 form part of these financial statements

Statement of Comprehensive Income
for the Year Ended 31 December 2019

	2019 £'000	2018 £'000
LOSS FOR THE FINANCIAL YEAR	(1,955)	(6,255)
OTHER COMPREHENSIVE INCOME	—	—
TOTAL COMPREHENSIVE LOSS FOR THE YEAR	<u>(1,955)</u>	<u>(6,255)</u>

The notes on pages 19 to 30 form part of these financial statements

Sesame Bankhall Group Limited (Registered number: 03573352)

Balance Sheet
As at 31 December 2019

	Note	2019 £'000	£'000	2018 £'000	£'000
FIXED ASSETS					
Investments	9		22,515		25,207
CURRENT ASSETS					
Debtors	10	25,166		25,213	
Cash at bank and in hand		<u>7,678</u>		<u>6,896</u>	
		32,844		32,109	
CREDITORS					
Amounts falling due within one year	11	<u>(44,926)</u>		<u>(44,928)</u>	
NET CURRENT LIABILITIES			<u>(12,082)</u>		<u>(12,819)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>10,433</u>		<u>12,388</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>(100,850)</u>		<u>(98,895)</u>
TOTAL SHAREHOLDERS' FUNDS			<u>10,433</u>		<u>12,388</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 July 2020 and were signed on its behalf by:

M L F Golunska - Director

The notes on pages 19 to 30 form part of these financial statements

**Statement of Changes in Equity
for the Year Ended 31 December 2019**

	Called up share capital £'000	Accumulated losses £'000	Share premium account £'000	Total equity £'000
Balance at 1 January 2018	55,600	(92,640)	55,683	18,643
Changes in equity				
Loss for the financial year and total comprehensive loss	-	(6,255)	-	(6,255)
Balance at 31 December 2018	<u>55,600</u>	<u>(98,895)</u>	<u>55,683</u>	<u>12,388</u>
Changes in equity				
Loss for the financial year and total comprehensive loss	-	(1,955)	-	(1,955)
Balance at 31 December 2019	<u><u>55,600</u></u>	<u><u>(100,850)</u></u>	<u><u>55,683</u></u>	<u><u>10,433</u></u>

The notes on pages 19 to 30 form part of these financial statements

Notes to the Financial Statements
for the Year Ended 31 December 2019

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 Pixham End, Dorking, Surrey, RH4 1QA.

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 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

The Company has adopted the following new standard which became effective for the annual reporting period beginning on 1 January 2019:

- IFRS 16, Leases - IFRS 16 replaces IAS 17 Leases and applies to annual reporting periods beginning on or after 1 January 2019. The standard has been endorsed by the EU. The adoption of IFRS 16 has had no impact on the Company's financial statements.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

1. ACCOUNTING POLICIES - continued

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 2022 at the earliest. The final standard is due to be published in mid-2020 and remains subject to endorsement by the EU and the UK.

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 ultimate parent company, 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.

The immediate parent company, Aviva Life Holdings UK Limited, has formally confirmed that it will provide limited liquidity support to the Company and its subsidiaries should this be required to meet their regulatory solvency and liquidity requirements. This support has been confirmed for a period of one year from the approval date of the Company's audited financial statements for the year ended 31 December 2019.

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 2019.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

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 an 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. 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 receipts basis.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

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 2019 (2018: £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 (2018: £nil) has been apportioned to the Company.

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

	2019 £'000	2018 £'000
Aggregate emoluments	1,403	1,551
Other pension costs	<u>51</u>	<u>46</u>
	<u>1,454</u>	<u>1,597</u>

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

	2019	2018
Money purchase pension scheme	<u>4</u>	<u>3</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:

	2019 £'000	2018 £'000
Aggregate emoluments of the highest paid director in SBG	469	462
Pension contributions in respect of the highest paid director	<u>-</u>	<u>-</u>

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

4. **OTHER NON-TRADING COSTS**

	2019	2018
	£'000	£'000
Other non-trading costs	<u>(8,742)</u>	<u>(6,296)</u>

Other non-trading costs include impairments recognised against subsidiary investments of £7.32m (2018: £6.00m) and impairments recognised against trade investments of £1.37m (2018: £0.26m). See the Strategic Report and Note 9 for further information.

5. **INCOME FROM FIXED ASSET INVESTMENTS**

	2019	2018
	£'000	£'000
Dividends receivable	<u>6,750</u>	<u>-</u>

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

Bankhall Support Services Limited	£'000
Sesame General Insurance Services Limited	2,750
Premier Mortgage Service Limited	1,500
	<u>2,500</u>
Total	<u>6,750</u>

6. **INTEREST RECEIVABLE AND SIMILAR INCOME**

	2019	2018
	£'000	£'000
Interest receivable	<u>34</u>	<u>41</u>

7. **LOSS BEFORE TAXATION**

Auditors' remuneration for audit services of £10,500 excluding VAT (2018: £10,100) 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 2019

8. TAX ON LOSS

Analysis of tax income

	2019 £'000	2018 £'000
Current tax: Tax	<u>(3)</u>	<u>-</u>
Total tax income in income statement	<u><u>(3)</u></u>	<u><u>-</u></u>

Factors affecting the tax expense

The tax assessed for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £'000	2018 £'000
Loss before taxation	<u>(1,958)</u>	<u>(6,255)</u>
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2018- 19%)	(372)	(1,188)
Effects of:		
Expenses not deductible for tax purposes	1,651	1,189
Income not taxable for tax purposes	(1,282)	-
Group relief for nil consideration	<u>-</u>	<u>(1)</u>
Tax on loss	<u><u>(3)</u></u>	<u><u>-</u></u>

Finance Act 2016 introduced legislation reducing the UK corporation tax rate from 1 April 2020 to 17%. In the Budget of 11 March 2020 the UK Government reversed this rate reduction, announcing that the UK corporation tax rate will remain at 19% from 1 April 2020 and this was substantively enacted on 17 March 2020.

As the Company has no deferred tax assets or liabilities, any future changes in tax rates have no impact on the net assets of the Company as at 31 December 2019.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

9. INVESTMENTS

	Shares in group undertakings £'000	Trade investments £'000	Totals £'000
COST			
At 1 January 2019	390,218	3,018	393,236
Additions	<u>6,000</u>	<u>-</u>	<u>6,000</u>
At 31 December 2019	<u>396,218</u>	<u>3,018</u>	<u>399,236</u>
PROVISIONS			
At 1 January 2019	367,771	258	368,029
Provision for year	<u>7,324</u>	<u>1,368</u>	<u>8,692</u>
At 31 December 2019	<u>375,095</u>	<u>1,626</u>	<u>376,721</u>
NET BOOK VALUE			
At 31 December 2019	<u>21,123</u>	<u>1,392</u>	<u>22,515</u>
At 31 December 2018	<u>22,447</u>	<u>2,760</u>	<u>25,207</u>

Additions in the year of £6.00m include an additional investment in new shares issued by Sesame Limited, a subsidiary undertaking. The purpose of this additional investment was to support the regulatory capital surplus of this subsidiary.

In accordance with applicable accounting standards the directors undertake an annual impairment review of investments held. For 2019 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. The discount rate used of 12.6% is an estimate of the market weighted average cost of capital calculated using the capital asset pricing model. As a result of this annual impairment review additional impairments have been recognised of £6.00m relating to the Sesame Limited investment and £1.32m relating to the Sesame General Insurance Services Limited investment.

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	16,100	-	16,100
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 2019	<u>396,218</u>	<u>(375,095)</u>	<u>21,123</u>

All investments are in companies incorporated in the United Kingdom and registered 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 2019

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 £0.12m with the calculation based on the Company's share of the net assets of this entity.

An additional impairment of £1.25m was recognised during the year against the investment 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.

Post year end in February 2020, prior to the COVID-19 outbreak being declared a global pandemic on 11 March 2020, the Company made an additional investment of £1.25m in Acre which has been fully impaired in 2020.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

10. **DEBTORS**

	2019	2018
	£'000	£'000
Amounts owed by group undertakings	25,000	25,000
Other receivables	163	213
Corporation tax - group relief	<u>3</u>	<u>-</u>
	<u>25,166</u>	<u>25,213</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**

	2019	2018
	£'000	£'000
Amounts owed to group undertakings	44,926	44,927
Corporation tax - group relief	<u>-</u>	<u>1</u>
	<u>44,926</u>	<u>44,928</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:	2019	2018
			£'000	£'000
55,600,001 (2018: 55,600,001)	Ordinary	£1	<u>55,600</u>	<u>55,600</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

13. RESERVES

	Accumulated losses £'000	Share premium account £'000	Totals £'000
At 1 January 2019	(98,895)	55,683	(43,212)
Loss for the financial year	<u>(1,955)</u>	<u>-</u>	<u>(1,955)</u>
At 31 December 2019	<u>(100,850)</u>	<u>55,683</u>	<u>(45,167)</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.

15. RELATED PARTY DISCLOSURES

	2019 £'000	2018 £'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	-
Friends Life Distribution Limited	-	225
Friends Life FPG Limited	-	1,250
Sesame Limited	35,890	35,890
Sesame Services Limited	<u>7,561</u>	<u>7,562</u>
	<u>44,926</u>	<u>44,927</u>

16. **EVENTS AFTER THE REPORTING PERIOD**

COVID-19

2020 began with the outbreak of a new strain of the Coronavirus (COVID-19) in China. Following the spread of this virus outside of China the World Health Organisation announced the outbreak as a global pandemic on 11 March 2020. This pandemic has caused widespread economic disruption and the UK, which has been particularly badly affected, was put into government enforced lockdown from 23 March 2020. UK lockdown restrictions have gradually been eased in recent months but the effect of the disruption caused by this pandemic has been an unprecedented shock to the UK economy.

Notwithstanding our robust capital and liquidity position, and the operational and financial actions that we are taking, this pandemic has had a negative effect on SBG and any future deterioration in the situation would have adverse implications for SBG arising from the impact on consumer confidence, the housing market, and our operations.

Whilst SBG has seen an overall reduction in transaction volumes as a result of the lockdown the rapidly evolving situation means that the ongoing impact is unclear and it is therefore not practicable to quantify the potential financial impact of the outbreak on SBG. A wide range of potential outcomes have been considered and modelled by management at an individual entity level as part of the going concern assessment for SBG and its subsidiaries. This assessment indicates SBG has a high level of resilience which will allow it to deal with the impact of the ongoing pandemic on the Company and its subsidiaries for the foreseeable future. Management consider COVID-19 to be a non-adjusting event under IAS 10 as it arose after the end of the reporting period.

As a holding company the Company is exposed to impairment risk associated with the financial impact of COVID-19 on the underlying trading results of its investments which could potentially require further impairments. At this stage it is not practicable to quantify the potential financial impact of the pandemic on the investments held by the Company however based on current trading performance management do not expect any potential future impairments to be material.

Acre Platforms Limited

In February 2020 the Company made an additional investment of £1.25m in Acre Platforms Limited (Acre). For further information on the investment in Acre see Note 9.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

17. **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 Pixham End, Dorking, Surrey, RH41QA 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
SB Loan Administration Limited	Dormant company	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
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
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.