

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

for

**Sesame Bankhall Valuation Services
Limited**

**Sesame Bankhall Valuation Services
Limited (Registered number: 04219521)**

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

	Page
Company Information	1
Strategic Report	2
Report of the Directors	7
Independent Auditors' Report	10
Income Statement	13
Statement of Comprehensive Income	14
Balance Sheet	15
Statement of Changes in Equity	16
Notes to the Financial Statements	17

**Sesame Bankhall Valuation Services
Limited**

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

DIRECTORS:

G P Brewster
J Cowan
S J Harris
S P Jackson
J M Kelly

SECRETARY:

Aviva Company Secretarial Services Limited

REGISTERED OFFICE:

Pixham End
Dorking
Surrey
RH4 1QA

REGISTERED NUMBER:

04219521 (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 for Sesame Bankhall Valuation Services Limited ("the Company") for the year ended 31 December 2019.

REVIEW OF BUSINESS

Principal activities

The principal activity of the Company in the year under review was that of the provision of panel management services for mortgage valuations.

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

Financial position and performance

The financial position of the Company at 31 December 2019 is shown in the Balance Sheet on page 15, with the trading results shown in the Income Statement on page 13.

The Company's net assets have decreased by £93k primarily due to the operating loss for the year.

Turnover for the year increased to £22.4m (2018: £19.9m) as a result of the Company securing an increased volume of lender valuations. Operating loss for the year was £115,000 (2018 profit: £201,000) due to an increase in costs offsetting the growth in revenue. This performance was consistent with the directors' expectation.

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 and SBG to ensure that the directors' obligations to its shareholders and to its 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 any areas fail to act in the manner the Board expects of them.

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 vital 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 the SBG holding company, Sesame Bankhall Group 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.

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

REVIEW OF BUSINESS - continued

Key strategic decisions in 2019

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

The Company has continued to strive for best-in-market service delivery and relationship management, which has seen it grow its market share in 2019 through an additional volume and tender wins from multiple lenders.

In addition to specific Sesame Bankhall Valuation Services Limited initiatives during 2019 SBG also made a number of changes to its Executive Team structure which are relevant to the Company:

- 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 the Group. 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. Individuals engaged in the activities of the Company are employed by SDL Surveying Limited, a shareholder of the Company, with their costs recharged to the Company on a monthly basis.

As part of SDL Surveying Limited, these staff enjoy the benefit of SDL Surveying Limited policies and benefits made available to them.

SDL Surveying Limited's engagement mechanisms include employee forums, internal communication channels, informal meetings with the directors and employee engagement surveys.

SDL Surveying Limited's Senior Executive hold regular strategy days throughout the year to consult with and engage staff, and to provide business and technical training opportunities. SDL Surveying Limited carries out comprehensive employee engagement surveys throughout the year, and the results are considered by the SDL Surveying Limited Board in the context of the Company's culture, values and behaviours and actions to continually improve the results are discussed and agreed.

(ii) Customers and clients

The Board of the Company receives regular reporting on client outcomes and has utilised feedback, especially negative 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, and regularly receives input from the Chief Executive Officer and Executive Chairman 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 the Customer Fairly.

REVIEW OF BUSINESS - continued

Stakeholder Engagement - continued

(iii) Suppliers

The operations of the Company are outsourced to SDL Surveying Limited, a shareholder of the Company, which recharges the Company the cost of the services it provides on monthly basis. The Company therefore has no direct contracts or relationships with external 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. SDL Surveying Limited is not registered as a Living Wage employer, but follows the principles of the real living wage.

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. The Company and SBG attempt to participate in activities that benefit society, such as reducing the Company's carbon footprint, supporting social or charitable causes, and enforcing ethical labour practices.

The Company and SBG are committed to supporting the local community and charities close to employee's hearts.

(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 plc board can attend SBG Board meetings by invitation.

REVIEW OF BUSINESS - continued

Stakeholder Engagement - continued

(vi) Our regulators

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

Future outlook

The directors continue to focus on strengthening relationships with lenders and exploring further opportunities for growth. The Company's revenues and profits are substantially dependent on the volume of housing transactions in the UK residential property market. Those transactions have been subdued through 2019 due to lower consumer confidence in the wake of Brexit deadlines and UK elections. While the UK emerged strongly in the first quarter of 2020, the Covid-19 pandemic significantly affected new purchase transactions. SBVS and SDL Surveying Limited worked closely with the lenders to deliver their requirements through this period of lockdown, creating new products and processes to ensure that work could be carried out efficiently and safely, while continuing to be market leading in its service levels. The Board expects this proactive approach to serve the business well in the long-term, and it is well positioned to capitalise on the growth in the market as lockdown eases, and the market share it has gained through tender and allocation wins in 2019.

The Company is known for its strong focus on excellent customer service, and deploying technological innovation and remote solutions to drive business efficiency and manage risk. Moving forwards the Company will continue to work with lenders to provide a panel management service with professionalism and integrity.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company is susceptible to any major downturn in property market conditions and liquidity in the mortgage market, as this is likely to reduce a consumer's propensity to arrange new mortgages, and subsequently impact on the Company's panel management activities.

COVID-19 presents a new uncertainty in 2020. The operations of the Company are outsourced to SDL Surveying Limited, a shareholder of the Company, which recharges the Company the cost of the services it provides on monthly basis. The impact of COVID-19 on the operations of SDL Surveying Limited is therefore a key risk for the Company. The primary focus of SDL Surveying Limited is the operational readiness and the safety of their customers and staff, such that they continue to deliver on their promises. Their scale, diversity, and the strength of their entity balance sheets allows them to meet any short-term challenges. SDL Surveying Limited mobilised its workforce quickly in the days after lockdown, with remote working a success for all employees, enabling the business to work new cases and backlogs faster than any other surveying firm in the market, and continuing to do so at market-leading service levels. The creation of "remote" valuations, and as lockdown eased, new physical processes, allowed SDL Surveying Limited to service lender requirements and maintain business revenues. Given the commercial structure of SBVS, the finances of the business are not dependent on a fixed level of volume, and as such, the business can trade through periods of low and high demand.

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

KEY PERFORMANCE INDICATORS (KPIs)

The Board monitors the performance of the Company using a number of financial and non-financial performance measures. A number of these for the Company are set out in these financial statements and are shown below.

	2019	2018
	£'000	£'000
Turnover	22,425	19,920
Operating (loss)/profit and (loss)/profit before taxation	(115)	201
Profit/(Loss) for the financial year	(93)	201
Net assets	996	1,089

ON BEHALF OF THE BOARD:

J Cowan - Director

8 September 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 interim dividends were paid during the year (2018: £nil). The directors recommend that no final dividends be paid (2018: £nil). The total distribution for the year ended 31 December 2019 will be £nil (2018: £nil).

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 following directors have held office in the whole of the period from 1 January 2019 to the date of this report.

G P Brewster
J Cowan
S Jackson
J Kelly

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

P R Gratton - resigned 18 December 2019
S J Harris - appointed 13 January 2020
C J Anderton - resigned 21 August 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 by s234 of the Companies Act 2006.

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 have reviewed the current and forecast financial position of the Company, including assessing the risks associated with the current economic uncertainty and COVID-19, and have agreed to continue to adopt the going concern basis of accounting in the preparation of the annual financial statements. The Company has a net asset position and a cash surplus, and it is forecast to be profitable in future periods with positive cash flows. As a result, the directors believe that the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Consequently, they continue to adopt the going concern basis for these annual financial statements.

**Report of the Directors
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 exposure of the Company to credit risk primarily relates to the recovery of trade receivables. A formal process for recovery of these receivables is in place and management monitor this process on a continual basis.

Market risk

The Company is susceptible to any major downturn in property market conditions and liquidity in the mortgage market, as this is likely to reduce a consumer's propensity to arrange new mortgages, and subsequently impact on the Company's panel management activities. The directors monitor the performance of the business and market as a whole on a continual basis in order to ensure the Company is well placed to respond appropriately to any significant changes. Notes on the impact of COVID-19 on the market and the Company are included in Note 12 Events After the Reporting Period.

Liquidity risk

Liquidity risk is the risk that a firm, although solvent, either does not have a available sufficient financial resources to enable it to meet its obligations as they fall due, or can only secure such resources at excessive cost. The Company has some exposure to liquidity risk, in relation to its trade debtor and trade creditor balances, but this is managed by the directors through the ongoing monitoring and management of working capital.

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 a 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.

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

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:

J Cowan - Director

8 September 2020

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion, Sesame Bankhall Valuation Services 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 Directors' Responsibilities set out on page 8, 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

8 September 2020

**Sesame Bankhall Valuation Services
Limited (Registered number: 04219521)**

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

	Note	2019 £'000	2018 £'000
TURNOVER		22,425	19,920
Cost of sales		<u>(22,241)</u>	<u>(19,406)</u>
GROSS PROFIT		184	514
Administrative expenses		<u>(299)</u>	<u>(313)</u>
OPERATING (LOSS)/PROFIT and (LOSS)/PROFIT BEFORE TAXATION	4	(115)	201
Tax on (loss)/profit	5	<u>22</u>	<u>-</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u><u>(93)</u></u>	<u><u>201</u></u>

The notes on pages 17 to 22 form part of these financial statements

**Sesame Bankhall Valuation Services
Limited (Registered number: 04219521)**

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

	2019 £'000	2018 £'000
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	(93)	201
OTHER COMPREHENSIVE INCOME	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	<u>(93)</u>	<u>201</u>

The notes on pages 17 to 22 form part of these financial statements

**Sesame Bankhall Valuation Services
Limited (Registered number: 04219521)**

**Balance Sheet
As at 31 December 2019**

	Note	2019 £'000	2018 £'000
CURRENT ASSETS			
Debtors	6	2,389	2,886
Cash at bank and in hand		<u>2,686</u>	<u>2,101</u>
		5,075	4,987
CREDITORS			
Amounts falling due within one year	7	<u>(4,079)</u>	<u>(3,898)</u>
NET CURRENT ASSETS		<u>996</u>	<u>1,089</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>996</u>	<u>1,089</u>
CAPITAL AND RESERVES			
Called up share capital	8	1	1
Share premium account	9	9	9
Retained earnings	9	<u>986</u>	<u>1,079</u>
TOTAL SHAREHOLDERS' FUNDS		<u>996</u>	<u>1,089</u>

The financial statements were approved by the Board of Directors and authorised for issue on 8 September 2020 and were signed on its behalf by:

J Cowan - Director

The notes on pages 17 to 22 form part of these financial statements

**Sesame Bankhall Valuation Services
Limited (Registered number: 04219521)**

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

	Called up share capital £'000	Retained earnings £'000	Share premium account £'000	Total equity £'000
Balance at 1 January 2018	1	878	9	888
Changes in equity				
Profit for the financial year and total comprehensive income	<u>-</u>	<u>201</u>	<u>-</u>	<u>201</u>
Balance at 31 December 2018	<u>1</u>	<u>1,079</u>	<u>9</u>	<u>1,089</u>
Changes in equity				
Loss for the financial year and total comprehensive loss	<u>-</u>	<u>(93)</u>	<u>-</u>	<u>(93)</u>
Balance at 31 December 2019	<u><u>1</u></u>	<u><u>986</u></u>	<u><u>9</u></u>	<u><u>996</u></u>

The notes on pages 17 to 22 form part of these financial statements

1. ACCOUNTING POLICIES

Reporting entity

Sesame Bankhall Valuation Services Limited is a private company limited by shares. The Company is incorporated in Great Britain, 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;
- 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 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.

Going concern

The directors have reviewed the current and forecast financial position of the Company, including assessing the risks associated with the current economic uncertainty and COVID-19, and have agreed to continue to adopt the going concern basis of accounting in the preparation of the annual financial statements. The Company has a net asset position and a cash surplus, and it is forecast to be profitable in future periods with positive cash flows. As a result, the directors believe that the Company is well placed to manage its business risks successfully. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Consequently, they continue to adopt the going concern basis for these annual financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, amounts refunded, VAT and other sales related taxes. Turnover comprises income recognised by the Company at the point when a valuation report is supplied to the customer. There are no significant differences between the timing of cash collection and the completion of performance obligations.

Income taxes

The current tax expense is based on the taxable profits for the year, after any adjustments in respect of prior years. Tax, including tax relief for losses if applicable, is allocated over profits before taxation and amounts charged or credited to components of other comprehensive income and equity as appropriate. Provision is made for deferred tax liabilities, or credit taken for deferred tax assets, using the liability method, on all material temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The rates enacted or substantively enacted at the Balance Sheet date are used to value the deferred tax assets and liabilities. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Where there is a history of tax losses, deferred tax assets are only recognised in excess of deferred tax liabilities if there is convincing evidence that future profits will be available. Deferred tax is provided on any temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future. Deferred taxes are not provided in respect of any temporary differences arising from the initial recognition of goodwill, or from the initial recognition of an asset or liability in a transaction which is not a business combination and affects neither accounting profit nor taxable profit or loss at the time of the transaction.

Current and deferred tax relating to items recognised in other comprehensive income and directly in equity are similarly recognised in other comprehensive income and directly in equity respectively. 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.

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. There are no critical accounting estimates within the financial statements.

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 Company is charged for staff support costs by its parent companies, Sesame Services Limited and SDL Surveying Limited. Further details can be found in the Related Party Disclosures in Note 11.

4. **OPERATING (LOSS)/PROFIT AND (LOSS)/PROFIT BEFORE TAXATION**

Auditors' remuneration for audit services of £15,700 (2018: £15,100) was borne by Sesame Services Limited (the Company's immediate parent company) and not recharged, as was the case in the prior year.

5. **TAX ON (LOSS)/PROFIT**

Analysis of tax income

	2019 £'000	2018 £'000
Current tax: Tax	<u>(22)</u>	<u>-</u>
Total tax income in income statement	<u><u>(22)</u></u>	<u><u>-</u></u>

Factors affecting the tax expense

The tax assessed for the year is equal to (2018 - lower) the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £'000	2018 £'000
(Loss)/profit before taxation	<u>(115)</u>	<u>201</u>
(Loss)/profit before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(22)	38
Effects of: Group relief for nil consideration	<u>-</u>	<u>(38)</u>
Tax income	<u><u>(22)</u></u>	<u><u>-</u></u>

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

5. **TAXATION - continued**

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.

6. **DEBTORS**

	2019	2018
	£'000	£'000
Trade receivables	2,307	2,821
Corporation tax - group relief	22	-
Prepayments and accrued income	<u>60</u>	<u>65</u>
	<u>2,389</u>	<u>2,886</u>

Trade receivables are reported at the amounts at which they are expected to be received after allowing for bad debts, which are assessed individually. Impairment of trade receivables is reported as an expense. Trade receivables are stated after provisions for impairment of £21,000 (2018: £21,000).

7. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£'000	£'000
Trade payables	3,755	3,379
Corporation tax - group relief	-	44
Other payables	144	108
Accruals and deferred income	<u>180</u>	<u>367</u>
	<u>4,079</u>	<u>3,898</u>

8. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019	2018
			£'000	£'000
750 (2018: 750)	Ordinary A shares	£1	1	1
250 (2018: 250)	Ordinary B shares	£1	<u>-</u>	<u>-</u>
			<u>1</u>	<u>1</u>

The A and B shares rank equally in all respects with equal voting rights; equal dividend and capital distribution (including on winding up) rights. Neither class of share confers any rights of redemption.

The ordinary A Shares are held by Sesame Services Limited and represent 75% of the share capital of the Company. The ordinary B Shares are held by SDL Surveying Limited and represent 25% of the share capital of the Company.

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

9. RESERVES

	Retained earnings £'000	Share premium account £'000	Totals £'000
At 1 January 2019	1,079	9	1,088
Loss for the financial year	<u>(93)</u>	<u>-</u>	<u>(93)</u>
At 31 December 2019	<u>986</u>	<u>9</u>	<u>995</u>

10. ULTIMATE PARENT COMPANY

The Company's immediate parent company is Sesame Services Limited, a company incorporated in Great Britain and registered in England and Wales.

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

The smallest group in which the results of the Company were consolidated for the year was that headed by Aviva plc. Copies of Aviva plc financial statements are available on application to the Group Company Secretary, Aviva plc, St Helens, 1 Undershaft, London, EC3P 3DQ, and on the Aviva plc website at www.aviva.com.

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

11. RELATED PARTY DISCLOSURES

	2019 £'000	2018 £'000
Included within trade payables are:		
SDL Surveying Limited	153	70
Sesame Services Limited	<u>376</u>	<u>638</u>
	<u>529</u>	<u>708</u>

During the year Sesame Services Limited has charged £1,178,505 (2018: £1,202,031) and SDL Surveying Limited has charged £2,245,825 (2018: £2,031,286) for direct and administrative costs of the operations of the Company.

Included within the amount charged during the year by Sesame Services Limited is an amount of £40,000 (2018: £40,000) relating to director fees. Included within the amount charged during the year by SDL Surveying Limited is an amount of £40,000 (2018: £40,000) relating to director fees.

S Jackson is also a director of SDL Surveying Limited. P R Gratton and C J Anderton were also directors of SDL Surveying Limited during the current year until 5 March 2020 and 27 July 2020 respectively.

J Cowan and S J Harris are also directors of Sesame Services Limited. J M Kelly was also a director of Sesame Services Limited during the current year until 15 December 2019.

12. 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 the Company and any future deterioration in the situation would have adverse implications for SBG and the Company arising from the impact on consumer confidence and the housing market, and our operations.

Whilst the Company 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 the Company. A wide range of potential outcomes have been considered by management as part of the going concern assessment for the Company. This assessment considered the operational and financial position of the Company and the specific risks associated with the current economic uncertainty and COVID-19. Management believe that the actions they have taken in response to COVID-19 will allow the Company to deal with the impact of the ongoing pandemic 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.