

**REGISTERED NUMBER: 04219521 (England and Wales)**

**Strategic Report, Report of the Directors and  
Audited Financial Statements for the Year Ended 31 December 2015**  
**for**  
**Sesame Bankhall Valuation Services  
Limited**

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

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for the Year Ended 31 December 2015**

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**Sesame Bankhall Valuation Services  
Limited**

**Company Information  
for the Year Ended 31 December 2015**

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**DIRECTORS:**

C J Anderton  
G P Brewster  
J Cowan  
P R Gratton  
M T Graves  
S Jackson  
J Kelly  
J Malone

**SECRETARY:**

Friends Life Secretarial Services Limited

**REGISTERED OFFICE:**

Pixham End  
Dorking  
Surrey  
RH4 1QA

**REGISTERED NUMBER:**

04219521 (England and Wales)

**INDEPENDENT AUDITORS:**

PricewaterhouseCoopers LLP  
101 Barbirolli Square  
Manchester  
M2 3PN

**Strategic Report  
for the Year Ended 31 December 2015**

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The directors present their strategic report for Sesame Bankhall Valuation Services Limited ("the Company") for the year ended 31 December 2015.

**REVIEW OF BUSINESS**

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

Turnover for the year increased to £16.85m (2014: £14.79m), driven by the Company securing increased lender referrals, and a large demand for valuations, particularly in the south east of England. Operating profit for the year was £858,000 (2014: £999,000) with a decrease of 1.7% in the margin achieved due to changes in the mix of valuations completed.

**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.

**FUTURE OUTLOOK**

The directors are pleased with the revenue growth made in this financial year, and continue to focus on strengthening relationships with lenders and exploring further opportunities for growth. The directors are optimistic about the future prospects of the business, both in terms of the housing market outlook and the Company's ability to secure further lender volume.

The Company's revenues and profits are substantially dependent on the volume of housing transactions in the UK residential property market. During recent years, the mortgage market has been steadily recovering, but remains highly cyclical and subject to changes in consumer confidence. The UK's referendum vote to leave the EU has created some uncertainty in the UK property market, but lender appetite remains strong. The Company has a focus on retaining key customer relationships through high levels of customer service, which has enabled the Company to compete successfully in the market.

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.

Over the course of 2016 the Company will continue to work with lenders to provide a panel management service with professionalism and integrity.

**FRS 101 REDUCED DISCLOSURE FRAMEWORK**

The Company has adopted FRS 101 for these financial statements for the year ended 31 December 2015. In order to show comparative balances, the year ended 31 December 2014 is also shown under FRS 101. The date of transition to FRS 101 is, therefore, 1 January 2014.

There has been no impact to the Balance Sheet, Income Statement, Statement of Other Comprehensive Income or Statement of Changes in Equity as of 1 January 2014 or 31 December 2015 as a result of the first time adoption of FRS 101.

Strategic Report  
for the Year Ended 31 December 2015

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**KEY PERFORMANCE INDICATORS**

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.

	2015	2014
	£'000	£'000
Turnover	16,854	14,790
Operating Profit	858	999
Profit before taxation	844	996
Profit for the year	673	782
Net assets	675	702

**ON BEHALF OF THE BOARD:**

  
J Cowan - Director

22 September 2016

**Report of the Directors  
for the Year Ended 31 December 2015**

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The directors present their report with the audited financial statements of the Company for the year ended 31 December 2015.

For the period to 10 April 2015 the Company was part of the Friends Life Group of companies, and references to the Group are to the Group of companies formerly headed by Friends Life Group Limited. Following the acquisition of the Friends Life Group by Aviva on 10 April 2015 the Company is now a subsidiary of the Aviva Group of companies headed by Aviva plc.

**DIVIDENDS**

Interim dividends per share were paid during the year as follows:

Ordinary A £1 shares	£700 - paid 10 November 2015
Ordinary B £1 shares	£700 - paid 10 November 2015

The directors recommend that no final dividends be paid (2014: £nil).

The total distribution for the year ended 31 December 2015 will be £700,000 (2014: £500,000).

**DIRECTORS**

The following directors have held office in the whole of the period from 1 January 2015 to the date of this report.

G P Brewster  
J Cowan  
P R Gratton  
S Jackson  
J Kelly  
J Malone

Changes in directors holding office in the period from 1 January 2015 to the date of this report are as follows:

R M Clifford - resigned 28 July 2015  
J Cupis - resigned 30 October 2015  
C J Anderton - appointed 28 July 2015  
M T Graves - appointed 21 January 2016

**DIRECTORS AND OFFICERS - INDEMNITY AND INSURANCE**

Aviva plc, the Company's ultimate parent, (since Aviva plc acquired the Friends Life Group on 13 April 2015) 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 Directors' Report by virtue of paragraph 15, Schedule 3 of The Companies Act 2006 (Commencement No. 3, Consequential Amendments, Transitional Provisions and Savings) Order 2007.

The directors also 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 section 234 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 and Directors' Reports. The directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Report of the Directors  
for the Year Ended 31 December 2015**

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**FINANCIAL RISK MANAGEMENT POLICY**

The principal risks and uncertainties of the Company are summarised in the Strategic Report.

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 Company has no exposure to credit risk.

**Market risk**

The Company has no exposure to market risk including foreign exchange rate movements.

**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 has a minimal exposure to liquidity risk.

**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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 101 used in the preparation of 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 the group 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 the group 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 2015**

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**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

As far as the directors are aware there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**INDEPENDENT AUDITORS**

Following the change in control of the Friends Life Group of companies, Ernst & Young LLP resigned as the Company's auditor on 27 October 2015. PricewaterhouseCoopers LLP was then appointed by the directors as the Company's auditors on date 21 December 2015.

**ON BEHALF OF THE BOARD:**



J Cowan - Director

22 September 2016

## **REPORT ON THE FINANCIAL STATEMENTS**

### **Our opinion**

In our opinion, Sesame Bankhall Valuation Services Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **What we have audited**

The financial statements, included within the Strategic Report, Report of the Directors and Audited Financial Statements (the "Annual Report"), comprise:

- the Balance Sheet as at 31 December 2015;
- the Income Statement and Statement of Other Comprehensive Income for the year then ended;
- the Statement of Changes in Equity for the year then ended; and
- the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

#### **Adequacy of accounting records and information and explanations received**

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

### **RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT**

#### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Independent Auditors' Report to the Members of  
Sesame Bankhall Valuation Services  
Limited (Registered number: 04219521)**

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This report, including the opinions, has been prepared for and only for the parent 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.

**What an audit of financial statements involves**


We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Gary Shaw (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
23 September 2016

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

**Income Statement  
for the Year Ended 31 December 2015**

	Note	2015 £'000	2014 £'000
<b>TURNOVER</b>		16,854	14,790
Cost of sales		<u>(15,519)</u>	<u>(13,335)</u>
<b>GROSS PROFIT</b>		1,335	1,455
Administrative expenses		<u>(477)</u>	<u>(456)</u>
<b>OPERATING PROFIT</b>		858	999
Interest payable and similar charges	4	<u>(14)</u>	<u>(3)</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	5	844	996
Tax on profit on ordinary activities	6	<u>(171)</u>	<u>(214)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><u>673</u></u>	<u><u>782</u></u>

The notes on pages 13 to 18 form part of these financial statements

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

**Statement of Other Comprehensive Income  
for the Year Ended 31 December 2015**

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	2015 £'000	2014 £'000
<b>PROFIT FOR THE FINANCIAL YEAR</b>	673	782
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>673</u>	<u>782</u>

The notes on pages 13 to 18 form part of these financial statements

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

**Balance Sheet  
As at 31 December 2015**

	Note	2015 £'000	2014 £'000
<b>CURRENT ASSETS</b>			
Debtors	8	2,996	1,760
Cash at bank and in hand		<u>17</u>	<u>707</u>
		3,013	2,467
<b>CREDITORS</b>			
Amounts falling due within one year	9	<u>(2,338)</u>	<u>(1,552)</u>
<b>NET CURRENT ASSETS</b>		<u>675</u>	<u>915</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		675	915
<b>CREDITORS</b>			
Amounts falling due after more than one year	10	<u>-</u>	<u>(213)</u>
<b>NET ASSETS</b>		<u>675</u>	<u>702</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	11	1	1
Share premium	12	9	9
Retained earnings	12	<u>665</u>	<u>692</u>
<b>TOTAL SHAREHOLDERS' FUNDS</b>		<u>675</u>	<u>702</u>

The financial statements were approved by the Board of Directors on 22 September 2016 and were signed on its behalf by:

  
J Cowan - Director

The notes on pages 13 to 18 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 2015**

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Total equity £'000
<b>Balance at 1 January 2014</b>	1	410	9	420
<b>Changes in equity</b>				
Dividends	-	(500)	-	(500)
Total comprehensive income	-	782	-	782
<b>Balance at 31 December 2014</b>	<u>1</u>	<u>692</u>	<u>9</u>	<u>702</u>
<b>Changes in equity</b>				
Dividends	-	(700)	-	(700)
Total comprehensive income	-	673	-	673
<b>Balance at 31 December 2015</b>	<u>1</u>	<u>665</u>	<u>9</u>	<u>675</u>

The notes on pages 13 to 18 form part of these financial statements

Notes to the Financial Statements  
for the Year Ended 31 December 2015

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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 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 requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

**Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report. The directors believe that the Company is well placed to manage its business risks successfully despite the current uncertain economic outlook. The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Turnover**

Turnover comprises income recognised by the Company at the point when a valuation report is supplied to the customer, exclusive of value added tax.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2015

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1. ACCOUNTING POLICIES - continued

**Current taxation**

Taxation is based on the profits and income for the year as determined in accordance with the relevant tax legislation, together with adjustments to provisions for prior periods. Tax payable is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Current taxation is recognised in the income statement for the year, except to the extent that it is attributable to a gain or loss recognised outside the income statement, in which case the current taxation is recognised in the statement of other comprehensive income, or equity, as applicable.

**Deferred tax**

Deferred tax is recognised on temporary differences arising between tax bases of assets and liabilities and their carrying amounts in the financial statements. The tax rates used are the rates that have been enacted or substantively enacted by the balance sheet date.

Full provision is made for deferred tax 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.

Deferred taxation is recognised in the income statement for the year, except to the extent that it is attributable to a gain or loss recognised outside the income statement, in which case the deferred taxation is recognised in the statement of other comprehensive income, or equity, as applicable.

**FRS 101 - First time adoption of Reduced Disclosure Framework**

The Company has adopted FRS 101 for these financial statements for the year ended 31 December 2015. In order to show comparative balances, the year ended 31 December 2014 is also shown under FRS 101. The date of transition to FRS 101 is, therefore, 1 January 2014.

There has been no impact to the Balance Sheet, Income Statement, Statement of Other Comprehensive Income or Statement of Changes in Equity as of 1 January 2014 or 31 December 2015 as a result of the first time adoption of FRS 101.

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2015 and early adoption is permitted. The Company has no transactions which would be affected by new currently effective requirements. The Company has not early adopted the following new standards in preparing these financial statements.

- IFRS 9 Financial Instruments - effective 1 January 2018 with early adoption permitted.
- IFRS 15 Revenue from Contracts with Customers - effective 1 January 2018 with early adoption permitted.

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

There were no staff costs for the year ended 31 December 2015 (2014: £nil).

The Company is charged for staff support costs by its parent companies, Sesame Services Limited and Direct Valuations Limited. Further details can be found in the Related Parties Disclosures in Note 14.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2015

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2015 £'000	2014 £'000
Other interest	<u>14</u>	<u>3</u>

5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Auditors remuneration for audit services of £8,500 (2014: £8,500) was borne by Sesame Services Limited (the Company's immediate parent company) and not recharged, as was the case in the prior year.

6. TAXATION

Analysis of tax expense

	2015 £'000	2014 £'000
Current tax: Tax	<u>171</u>	<u>214</u>
Total tax expense in income statement	<u>171</u>	<u>214</u>

Factors affecting the tax expense

The tax assessed for the year is equal to (2014: equal to) the standard rate of corporation tax in the UK.

	2015 £'000	2014 £'000
Profit on ordinary activities before income taxation	<u>844</u>	<u>996</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20.25% (2014 - 21.50%)	<u>171</u>	<u>214</u>
Tax expense	<u>171</u>	<u>214</u>

UK legislation was substantively enacted in July 2013 to reduce the rate of corporation tax from 21% to 20% from 1 April 2015, resulting in an effective rate for the year ended 31 December 2015 of 20.25%. UK legislation was substantively enacted in October 2015 to reduce the rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. UK legislation was substantively enacted in September 2016 to further reduce the corporation tax rate from 1 April 2020 to 17%.

7. DIVIDENDS

	2015 £'000	2014 £'000
Ordinary A shares shares of £1 each Interim	525	375
Ordinary B shares shares of £1 each Interim	<u>175</u>	<u>125</u>
	<u>700</u>	<u>500</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2015

8. DEBTORS

	2015	2014
	£'000	£'000
Trade receivables	2,976	1,651
Other receivables	-	84
Prepayments and accrued income	20	25
	<u>2,996</u>	<u>1,760</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2015	2014
	£'000	£'000
Trade payables	115	37
Amounts owed to group undertakings	243	247
Corporation tax - group relief	385	334
Other payables	45	1
Accruals and deferred income	<u>1,550</u>	<u>933</u>
	<u>2,338</u>	<u>1,552</u>

Amounts owed to group undertakings include amounts due to Sesame Services Limited under a formal loan arrangement. During the prior year an existing intercompany balance owed to Sesame Services Limited, relating to valued added tax settled on the Company's behalf by Sesame Services Limited, was converted into a formal loan agreement. At 31 December 2015 the loan balance outstanding was £213,000 (2014: £460,000).

The loan was issued on a commercial basis with interest charged at 4%. It is repayable in monthly instalments over a period of 24 months with the final repayment due in October 2016.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2015	2014
	£'000	£'000
Amounts owed to group undertakings	<u>-</u>	<u>213</u>

Amounts owed to group undertakings comprise amounts due to Sesame Services Limited under the loan agreement discussed in Note 9.

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2015	2014
Number:	Class:	Nominal value:	£'000	£'000
750	Ordinary A shares	£1	1	1
250	Ordinary B shares	£1	-	-
			<u>1</u>	<u>1</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2015

11. CALLED UP SHARE CAPITAL - continued

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 Direct Valuations Limited, and represent 25% of the share capital of the Company.

12. RESERVES

	Retained earnings £'000	Share premium £'000	Totals £'000
At 1 January 2015	692	9	701
Profit for the financial year	673		673
Dividends	(700)		(700)
At 31 December 2015	<u>665</u>	<u>9</u>	<u>674</u>

13. 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 Friends Life Holdings plc. Copies of Friends Life Holdings plc accounts are available on application to the Group Company Secretary, Aviva plc, St Helens, 1 Undershaft, London, EC3P 3DQ, and on the Aviva plc website at [www.aviva.com](http://www.aviva.com)

14. RELATED PARTY DISCLOSURES

	2015 £'000	2014 £'000
Included within amounts due to group undertakings are:		
Sesame Services Limited	<u>243</u>	<u>460</u>

During the year Sesame Services Limited has charged £750,240 (2014: £606,792) and Direct Valuations Limited has charged £1,736,954 (2014: £1,433,805) for direct and administrative costs of the operations of the Company.

C J Anderton, P R Gratton, and S Jackson are also directors of Direct Valuations Limited.

J Cowan is also a director of Sesame Services Limited.

**15. FIRST YEAR ADOPTION**

There were no transitional adjustments required as a result of the transition from the previous GAAP to FRS 101. As such, the comparative information presented in these financial statements is consistent with the prior year financial statements.