REGISTERED NUMBER: 04219521 (England and Wales)

Strategic Report, Report of the Directors and

Audited Financial Statements for the Year Ended 31 December 2014

for

Sesame Bankhall Valuation Services Limited

TUESDAY

A4GY3CLM

A10 29/09/2015 #74

COMPANIES HOUSE

Sesame Bankhall Valuation Services Limited (Registered number: 04219521)

Contents of the Financial Statements for the Year Ended 31 December 2014

Company Information for the Year Ended 31 December 2014

DIRECTORS:	G P Brewster R M Clifford J Cupis P R Gratton J Malone J Cowan J Kelly S Jackson
SECRETARY:	Friends Life Secretarial Services Limited
REGISTERED OFFICE:	Pixham End Dorking Surrey RH4 1QA
REGISTERED NUMBER:	04219521 (England and Wales)
INDEPENDENT AUDITORS:	Ernst & Young LLP The Paragon Counterslip Bristol BS1 6BX

The directors present their strategic report for Sesame Bankhall Valuation Services Limited ("the Company") for the year ended 31 December 2014.

REVIEW OF BUSINESS

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

Turnover for the year increased to £14.79m (2013: £11.95m), driven by the Company securing increased lender referrals, and a large demand for valuations, particularly in the south east of England.

Operating profits grew to £999,000 (2013: £553,000). Operating margins increased by 2.1% compared to the prior year. The net asset position of the Company improved to £702,000 (2013: £420,000) following the strong trading performance of the business.

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 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 continues to invest in technology to improve the quality and efficiency of work carried out.

Over the course of 2015 the Company will continue to work with lenders to provide a panel management service with professionalism and integrity.

ON BEHALF OF THE BOARD:

J. Cowan

J Cowan - Director

28 September 2015

The directors present their report with the financial statements of the Company for the year ended 31 December 2014.

During the period and until 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	£5	- paid 4 November 2014
Ordinary B £1 shares	£5	- paid 4 November 2014

The directors recommend that no final dividends be paid (2013: £nil).

The total distribution for the year ended 31 December 2014 will be £500,000 (2013: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2014 to the date of this report.

J Malone
G P Brewster
R M Clifford
J Cupis
P R Gratton

Changes in directors holding office in the period from 1 January 2014 to the date of this report are as follows:

G Higginson - resigned 7 January 2014
P Hooper - resigned 7 January 2014
J Cowan - appointed 12 February 2014
J Kelly - appointed 12 February 2014
S Jackson - appointed 12 February 2014

DIRECTORS AND OFFICERS - INDEMNITY AND INSURANCE

The Group maintains insurance cover in respect of directors' and officers' liabilities. In addition, qualifying third party indemnity arrangements (as defined in section 234 of the Companies Act 2006) are in force for the benefit of directors within the Group and were in force for the benefit of former directors of the Group during 2014. Copies are available for inspection at the Company's registered office.

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.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So 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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

Following the change in control of the Friends Life Group of companies it is anticipated that Ernst & Young LLP will resign as the Company's auditors following the directors' approval of the report and accounts, confirming that there are no matters to be brought to the Company's attention under section 519 of the Companies Act 2006. PwC LLP will then be appointed by the directors as the Company's auditors.

ON BEHALF OF THE BOARD:

J Cowan - Director

28 September 2015

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

We have audited the financial statements of Sesame Bankhall Valuation Services Limited (the "Company") for the year ended 31 December 2014 which comprise the Profit and Loss Account, Balance Sheet, Cash Flow Statement and related notes 1 to 16. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors
As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements
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. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors 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.

Opinion on financial statements
In our opinion the financial statements:
- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit 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.

Opinion on other matter 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.

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ernst & Young LLP

Richard Page (Senior ~~Statutory~~ Auditor)
for and on behalf of Ernst & Young LLP
Bristol

29 September 2015

Sesame Bankhall Valuation Services Limited (Registered number: 04219521)

Profit and Loss Account for the Year Ended 31 December 2014

	Notes	2014 £'000	2013 £'000
TURNOVER		14,790	11,950
Cost of sales		13,335	11,118
GROSS PROFIT		1,455	832
Administrative expenses		456	279
OPERATING PROFIT	4	999	553
Interest payable and similar charges	5	3	10
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		996	543
Tax on profit on ordinary activities	6	214	126
PROFIT FOR THE FINANCIAL YEAR		782	417

CONTINUING OPERATIONS
None of the Company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES
The Company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

Sesame Bankhall Valuation Services Limited (Registered number: 04219521)

Balance Sheet
31 December 2014

	Notes	2014 £'000	2013 £'000
CURRENT ASSETS			
Debtors	8	1,760	2,124
Cash in hand		707	558
		2,467	2,682
CREDITORS			
Amounts falling due within one year	9	1,552	2,262
NET CURRENT ASSETS		915	420
TOTAL ASSETS LESS CURRENT LIABILITIES		915	420
CREDITORS			
Amounts falling due after more than one year	10	213	-
NET ASSETS		702	420
CAPITAL AND RESERVES			
Called up share capital	11	1	1
Share premium	12	9	9
Profit and loss account	12	692	410
SHAREHOLDERS' FUNDS	15	702	420

The financial statements were approved by the Board of Directors on 28 September 2015 and were signed on its behalf by:

J Kelly - Director

The notes form part of these financial statements

Sesame Bankhall Valuation Services Limited (Registered number: 04219521)

Cash Flow Statement for the Year Ended 31 December 2014

	Notes	2014 £'000	2013 £'000
Net cash inflow from operating activities	1	652	193
Returns on investments and servicing of finance	2	(3)	(10)
Equity dividends paid		(500)	-
		149	183
Financing	2	-	(150)
Increase in cash in the period		149	33

	Notes	2014 £'000	2013 £'000
Reconciliation of net cash flow to movement in net funds	3		
Increase in cash in the period		149	33
Change in net funds resulting from cash flows		149	33
Movement in net funds in the period		149	33
Net funds at 1 January		558	525
Net funds at 31 December		707	558

The notes form part of these financial statements

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£'000	£'000
Operating profit	999	553
Decrease/(increase) in debtors	364	(592)
(Decrease)/increase in creditors	(711)	232
Net cash inflow from operating activities	652	193

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2014	2013
	£'000	£'000
Returns on investments and servicing of finance		
Interest paid	(3)	(10)
Net cash outflow for returns on investments and servicing of finance	(3)	(10)
Financing		
Loan repayments in year	-	(150)
Net cash outflow from financing	-	(150)

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/14	Cash flow	At 31/12/14
	£'000	£'000	£'000
Cash at bank and in hand	558	149	707

The notes form part of these financial statements

1. ACCOUNTING POLICIES

Accounting convention
These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

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 represents net invoiced sales of goods, excluding value added tax and relates to continuing operations in the United Kingdom.

Current tax
Taxation is based on the profits and income for the period 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 profit and loss account for the period, except to the extent that it is attributable to a gain or loss recognised outside the profit and loss account, in which case the current tax is recognised in the statement of total recognised gains and losses, or equity, as applicable.

Deferred tax
Deferred tax is recognised on timing differences arising between the recognition of gains and losses in the financial statements and their recognition in a tax computation. 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 they are more likely than not to be regarded as recoverable against suitable taxable profits.

Deferred taxation is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss recognised outside the profit and loss account, in which case the deferred tax is recognised in the statement of total recognised gains and losses, or equity, as applicable. The deferred tax balances are not discounted.

2. STAFF COSTS

There were no staff costs for the year ended 31 December 2014 nor for the year ended 31 December 2013.

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.

3. DIRECTORS' EMOLUMENTS

There were no directors emoluments in the year ended 31 December 2014 nor for the year ended 31 December 2013.

The services of the directors to the Company are considered incidental to their responsibilities elsewhere. As such, no amounts have been recharged to the Company for directors' remuneration.

continued...

4. OPERATING PROFIT

Auditors remuneration of £8,500 (2013: £10,000) was borne by Sesame Services Limited (the Company's immediate parent company) and not recharged, as was the case in the prior year.

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£'000	£'000
Other interest	3	10

6. TAXATION

Analysis of the tax charge
The tax charge on the profit on ordinary activities for the year was as follows:

	2014	2013
	£'000	£'000
Current tax:		
UK corporation tax	214	126
Tax on profit on ordinary activities	214	126

UK corporation tax has been charged at 21.5% (2013 - 23.25%).

7. DIVIDENDS

	2014	2013
	£'000	£'000
Ordinary A shares shares of £1 each		
Interim	375	-
Ordinary B shares shares of £1 each		
Interim	125	-
	500	-

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£'000	£'000
Trade receivables	1,651	2,110
Other receivables	84	-
Prepayments and accrued income	25	14
	1,760	2,124

continued...

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£'000	£'000
Trade payables	37	148
Amounts owed to group undertakings	247	708
Corporation tax - group relief	334	120
Other payables	1	101
Accruals and deferred income	933	1,185
	1,552	2,262

Amounts owed to group undertakings in the current year comprise amounts due to Sesame Services Limited under a formal loan arrangement. During the 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.

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.

Amounts owed to group undertakings in the prior year were unsecured, interest free, had no fixed date of repayment and were repayable on demand.

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

	2014	2013
	£'000	£'000
Amounts owed to group undertakings	213	-

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:

Number:	Class:	Nominal value:	2014 £'000	2013 £'000
750	Ordinary A shares	£1	1	1
250	Ordinary B shares	£1	-	-
			1	1

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.

continued...

12. RESERVES

	Profit and loss account £'000	Share premium £'000	Totals £'000
At 1 January 2014	410	9	419
Profit for the year	782		782
Dividends	(500)		(500)
At 31 December 2014	692	9	701

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. Friends Life Holdings plc changed its name on 8 May 2014 from Friends Life Group plc following Board approval.

14. RELATED PARTY DISCLOSURES

	2014 £'000	2013 £'000
Included within amounts due to group undertakings are:		
Sesame Services Limited	460	708

During the year Sesame Services Limited has charged £606,792 (2013: £359,464) and Direct Valuations Limited has charged £1,433,805 (2013: £833,544) for direct and administrative costs of the operations of the Company.

G P Brewster and P R Gratton are also directors of Direct Valuations Limited.

J Cowan is also a director of Sesame Services Limited.

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2014 £'000	2013 £'000
Profit for the financial year	782	417
Dividends	(500)	-
Net addition to shareholders' funds	282	417
Opening shareholders' funds	420	3
Closing shareholders' funds	702	420

continued...

16. NON-ADJUSTING POST BALANCE SHEET EVENT

Aviva acquisition

On 19 January 2015, Friends Life Group Limited ("FLGL"), the ultimate parent company of the Company at that time, published a Scheme of Arrangement (the "Scheme") document in relation to the proposed acquisition by Aviva plc of the entire ordinary share capital of FLGL by way of a Scheme of Arrangement in accordance with Guernsey company law.

The acquisition received the approval of FLGL and Aviva's shareholders, and by the Guernsey Court. The Scheme became effective on 10 April 2015 and at that point the Company became part of the Aviva Group, with FLGL becoming a wholly-owned subsidiary of Aviva Group Holdings Limited.