

ORIGEN LIMITED

REGISTRATION NUMBER 5113506

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2018



ORIGEN LIMITED

COMPANY INFORMATION

Directors	Howard Evans Duncan George Jarrett Mark Robert Pearson Alec Charles Ramsey (appointed 31 st December 2018) Robert Thomas Waller Linda Mary Whorlow
Secretary	James Kenneth MacKenzie
Company Number	5113506
Registered Office	1 st Floor Infor House 1 Lakeside Road Farnborough Hampshire GU14 6XP
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Atria One 144 Morrison Street Edinburgh EH3 8EX

ORIGEN LIMITED

THE STRATEGIC REPORT

Principal and ongoing activity

The company's principal activity is the provision of services (including the provision of personnel) to associated regulated company, Origen Financial Services Limited. Origen Limited charges services at cost.

Origen Limited is incorporated and domiciled in England & Wales.

Review of business and future developments

During 2018 the company provided services on behalf of the associated regulated company and recharged the costs incurred in full. This will continue during 2019 for Origen Financial Services Limited.

As the company's principal activity is the provision of services, the board does not use key performance indicators to measure the performance of the business. The board does not anticipate any changes to the principal activity in the foreseeable future.

Aegon UK plc has agreed to provide continuing financial support, and the directors, in conjunction with the regulated associated companies to which the company provides services, continue to review the company's net liability and capital position on a regular basis.

Corporate governance, capital management and financial instruments

The Aegon UK Group, of which the company is a part, has established a governance framework for monitoring and overseeing strategy, conduct of business standards and operation of the business across the group that includes a clearly stated organisational structure, appropriate delegated authorities and independent internal audit and risk management functions. Risk management for the company operates within this governance framework.

The directors consider that the company is subject to market risk and operational risk. They operate policies which are designed to ensure that after taking account of mitigating actions and probability, the company maintains a level of finance and resource that is appropriate for the risks it faces.

- Market risk considers the impact of changes in the distribution or consumer markets.
- Operational risk considers the impact of failure to achieve planned results and integration schedules.

The company's objective in managing its capital is to ensure that there are adequate resources to meet the company's liabilities as they fall due, and to allocate capital efficiently to support growth and repatriate excess capital where appropriate. The company manages its capital by measuring its resources and cash available on a regular basis. The company's capital position and the movement in this from the prior year are disclosed within the Statement of Changes in Equity. The company has no externally imposed capital requirements.

The company is not exposed to significant financial instrument risk. Credit risk is reduced as assets are primarily intercompany receivables from other Aegon UK group companies.

Directors' qualifying third party indemnity provisions

During the year, the Company maintained liability insurance for directors and officers of the Company through arrangements made by Aegon N.V. for the benefit of itself and its subsidiary companies.

ORIGEN LIMITED

REPORT BY THE DIRECTORS

The Directors present their report and the audited financial statements for the year ended 31 December 2018.

Structure of these financial statements

These financial statements have been prepared on a going concern basis, and in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union as they apply to the financial statements of the Company for the year ended 31 December 2018, and applied in accordance with the Companies Act 2006.

Financial results and dividends

The results for the year are set out on page 9.

The company's 2018 revenue of £11,990k (2017: £11,816k) and result before taxation of nil (2017: £Nil) are in line with expectations.

The Directors do not recommend the payment of a dividend (2017: £Nil).

Financial risk management

The Strategic Report includes the risk management policy for the company.

Immediate and ultimate parent undertaking

The immediate parent Company is Momentum Group Limited and the ultimate parent Company is Aegon N.V..

Directors and their interests

The Directors who held office at the date of this report are shown on page 1. The Directors have declared that they had no interest in the share capital of the Company during the year and up to the date of signing.

Alec Charles Ramsey was appointed as a Director on 31 December 2018. Kevin Mark Gravener resigned as a Director 31 December 2018.

Employees

It is the company policy to ensure equal opportunities for all employees.

- Full and fair consideration is granted to applications for employment from disabled employees, having regard to their particular aptitudes and abilities.
- Full and fair consideration is granted to the continuing employment of, and arranging appropriate training for, employees of the company who have become disabled during the period when they were employed by the company.
- Full and fair consideration is given to the training, career development and promotion of disabled persons employed by the company.

ORIGEN LIMITED

REPORT BY THE DIRECTORS

Creditor payment policy

- At the time of entering into a contract with a supplier, settlement terms are agreed between the company and the supplier.
- In making payments to suppliers, the company will adhere to internal invoice authorisation and payment approval procedures as well as UK legal and regulatory requirements.
- Subject to the above, the company will settle outstanding balances with creditors within the agreed settlement terms.

Employee involvement

The company operates a framework for employee information and consultation which complies with the requirements of the Information and Consultation of Employees Regulations 2004. During the year the policy of providing employees with information about the company has continued through the company's intranet and regular business updates from management.

Going concern

In assessing whether the company is a going concern the Directors have taken into account the latest guidance issued by the Financial Reporting Council.

After making enquiries, which included considering the liquidity of the company's assets and confirmation of the availability of ongoing support from the intermediate parent undertaking Aegon UK plc, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future (being 12 months from the date of this report). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Strategic Report includes a review of the Company's business and future developments.

Political contributions

No political contributions were made during the year (2017: £Nil).

Disclosure of information to auditors

The Directors who held office at the date of approval of this report confirm that, so far as they are each aware, there is no relevant audit information, being information needed by the auditors in connection with preparing their report, of which the auditors are unaware; and each Director has taken all steps they ought to have taken as Director to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Independent Auditors

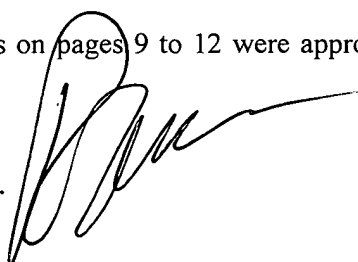
PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and have been deemed reappointed under section 487(2) of Companies Act 2006.

Annual General Meetings

In accordance with the provisions of the Companies Act legislation the company has dispensed with the holding of Annual General Meetings.

The financial statements on pages 9 to 12 were approved by the Board of Directors on 25th April 2019 and signed on its behalf by

Robert Thomas Waller
Director



ORIGEN LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Report by 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union 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.

ORIGEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIGEN LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Origen Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; 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, Directors' Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the cash flow statement, 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

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

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. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

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.

ORIGEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIGEN LIMITED

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Report by 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 by 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 by the Directors for the year ended 31 December 2018 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 by the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement, 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.

ORIGEN LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
ORIGEN LIMITED**

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.

Gillian Alexander

Gillian Alexander (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
25th April 2019

ORIGEN LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	<u>Note</u>	<u>2018</u> £'000	<u>2017</u> £'000
Revenue			
Revenue from rendering of services	2	11,990	11,816
Administrative expenses	3	<u>(11,990)</u>	<u>(11,816)</u>
Gross Result		-	-
Result before taxation		-	-
Tax credit/(charge) on result	4	<u>2</u>	<u>(9)</u>
Profit/(loss) for the year		<u>2</u>	<u>(9)</u>

The profit/(loss) for the year relates wholly to continuing activities and is attributable to the equity holders of the company.

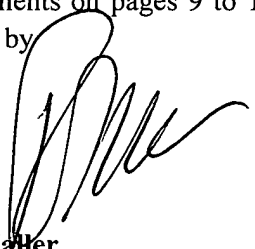
The profit/(loss) for the year is consistent with Total Comprehensive Income and there were no other items of comprehensive income/(expense) not already reflected within the profit/(loss) for the year.

ORIGEN LIMITED

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> £'000	<u>2017</u> £'000
Non-current assets			
Property, plant and equipment	5	-	-
Deferred tax asset	4	221	243
		<u>221</u>	<u>243</u>
Current assets			
Tax receivable	4	23	-
		<u>23</u>	<u>-</u>
Total assets		<u>244</u>	<u>243</u>
Current liabilities			
Trade and other payables	6	112	78
Tax payable	4	-	72
Provisions	7	160	123
		<u>272</u>	<u>273</u>
Net liabilities		<u>(28)</u>	<u>(30)</u>
Capital and reserves			
Issued share capital	8	500	500
Capital contribution	8	105	105
Accumulated losses		<u>(633)</u>	<u>(635)</u>
Total equity		<u>(28)</u>	<u>(30)</u>

The financial statements on pages 9 to 12 were approved by the Board of Directors on 25th April 2019 and signed on its behalf by



Robert Thomas Waller
Director

Company number: 5113506

ORIGEN LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>Issued</u> <u>Share</u> <u>Capital</u> £'000	<u>Capital</u> <u>Contribution</u> £'000	<u>Accumulated</u> <u>Losses</u> £'000	<u>Total</u> <u>Equity</u> £'000
At 1 January 2018	500	105	(635)	(30)
Profit for the year	-	-	2	2
At 31 December 2018	500	105	(633)	(28)

FOR THE YEAR ENDED 31 DECEMBER 2017

	<u>Issued</u> <u>Share</u> <u>Capital</u> £'000	<u>Capital</u> <u>Contribution</u> £'000	<u>Accumulated</u> <u>Losses</u> £'000	<u>Total</u> <u>Equity</u> £'000
At 1 January 2017	500	105	(626)	(21)
Loss for the year	-	-	(9)	(9)
At 31 December 2017	500	105	(635)	(30)

The company did not recognise any income or expense directly in equity (2017: £Nil).

ORIGEN LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> £'000	<u>2017</u> £'000
Operating activities			
Result before taxation		-	-
<i>Adjustments to reconcile result before tax to net cash inflow from operating activities:</i>			
Increase in provisions	7	37	35
Increase/(decrease) in trade and other payables	6	34	(54)
Income tax (paid)/received		(71)	19
Net cash generated from operating activities		-	-
Investing activities			
Capital contribution received	8	-	-
Net cash generated from investing activities		-	-
Increase in cash and cash equivalents		-	-
Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		-	-

The cash flow statement is prepared according to the indirect method.

The notes on pages 13 to 24 form an integral part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. Accounting policies

1.1.1 Basis of preparation

The financial statements have been prepared on a going concern basis and in accordance with International Financial Reporting Standards (IFRSs) and IFRS Interpretations Committee (IFRS IC) as adopted by the European Union as they apply to the financial statements of the Company for the year ended 31 December 2018 and applied in accordance with the Companies Act 2006. The financial statements have been prepared in accordance with the historical cost convention.

These are the separate financial statements of the Company. The Company is exempt from preparing consolidated financial statements as the ultimate parent undertaking AEGON N.V., which is incorporated in the Netherlands, prepares publicly available consolidated financial statements which comply with IFRS.

Accounting policies have been applied consistently throughout the year, other than where new policies have been adopted.

After making enquiries, which included considering the liquidity of the company's assets and confirmation of the availability of ongoing support from its intermediate parent undertaking Aegon UK plc, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.1.2 Adoption of new IFRS accounting standards

New standards and amendments to standards become effective at the date specified by IFRS, but may allow companies to opt for an earlier adoption date. In 2018, the following amendments to existing standards issued by the IASB became mandatory but are not currently relevant or do not significantly impact the financial position or financial statements:

- IFRS 2 Clarification of Classification and Measurement of Share Based Payments Transactions;
- IFRS 9 Financial Instruments, including the amendment applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts;
- IAS 40 Investment Property, amendments regarding the transfer of property;
- IFRIC 22 – Foreign Currency Transactions and Advance Consideration; and
- Annual improvements to IFRS Standards 2014-2016.

1.1.2 Future Adoption of new IFRS accounting standards

The following standards, amendments to existing standards and interpretations, published prior to January 1, 2019, were not early adopted by the Company, but will be applied in future years:

- IFRS 16 Leases.

IFRS 16 Leases, which replaces IAS 17 Leases has been issued by the IASB in January 2016 and endorsed by the European Union in October 2017. It will be mandatorily effective for annual reporting periods beginning on or after 1 January 2019. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments, which will replace the current 'Obligations under leases' disclosed under note

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.1.2 Future Adoption of new IFRS accounting standards (continued)

9. Lease costs will be recognised in the form of depreciation of the right-of-use asset and interest on the lease liability, as opposed to the treatment under IAS 17 where expenses are recognised when occurred in 'Administration expenses'. From a lessor perspective, IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17, only with additional disclosure requirements.

The Company has assessed the impacts of IFRS 16 during 2018, and has completed the implementation of the standard. In order to implement the standard, the Company has adopted a number of key options and practical expedients allowed under IFRS 16 of which the following are the most significant:

- The Company will apply the modified retrospective approach and therefore will not restate the comparative amounts for the year prior to initial application. Under this approach, on a lease-by-lease basis, the following two options are available: (i) right-of-use assets (mainly high value properties) measured on transition as if the new rules had always been applied, but discounted using the lessee's incremental borrowing rate at the date of initial application; or (ii) right-of-use assets measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses). The Company will apply the latter on implementation of IFRS 16; and
- The Company has elected to apply the 'grandfather' option, which means that all conclusions previously reached under IAS 17 (and IFRIC 4 Determining Whether an Arrangement Contains a Lease) are deemed compliant with IFRS 16.

At transition, the Company expects to recognise a right-of-use asset of approximately £1,549k and a lease liability of £1,549k on 1 January 2019.

The following amendments to the existing standards and interpretation, published prior to January 1, 2019, which are not yet effective for or early adopted by the Company, will not significantly affect the financial position or financial statements:

- IFRS 3 Amendment, Business Combinations;*
- IFRS 9 Amendment Prepayment features with Negative Compensation;
- IFRS 17 Insurance Contracts;*
- IAS 1 and IAS 8 Definition of Material;*
- IAS 19 Plan Amendment, curtailment or settlement;*
- IAS 28 Amendment Long-term interests in Associates and Joint ventures;
- IFRIC 23 Uncertainty over Income Tax Treatments; and
- Amendments to references to The Conceptual Framework.

* The above new standards, amendments to existing standards and interpretations have not yet been endorsed by the European Union.

1.2 Significant accounting judgements, estimates and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates but the impact of this is not considered to be significant.

The significant judgements made within the financial statements relate to the deferred tax asset see note 1.5 and dilapidations provision see note 7.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.3 Revenue recognition

Revenue from rendering of services is derived from the company's principal continuing activity which is the provision of infrastructure and personnel support to the regulated company Origen Financial Services Limited. Revenue is recognised in the accounting period in which the services are provided.

1.4 Plant and equipment

Depreciation on fixed assets is calculated on a straight line basis as follows:

Fixtures and fittings	-	5 years
Computer equipment and software	-	3 years

Plant and equipment are stated at cost less accumulated depreciated and accumulated impairment in value.

Depreciation and impairment losses are recognised in the Statement of Comprehensive Income within administrative expenses. Impairment reviews take place when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

1.5 Taxes

Current income tax

Income tax assets and liabilities for the current period and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, or paid to or recovered from other group companies in respect of group relief surrendered or received. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date. Current income tax relating to items recognised directly in equity is recognised in equity and not in the income statement

Deferred income tax

Deferred income tax is provided where required using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

1.6 Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoices value and recoverable amount. Where time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

ORIGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.7 Leases

Leases where the lessor retains a significant portion of the risks and benefits of ownership of the asset are classified as operating leases and rentals payable are charged in the income statement on a straight line basis over the lease term.

Incentives received to enter into lease agreements are released to the Statement of Comprehensive Income over the lease term or, if shorter, the period to the date on which the rent is first expected to be adjusted to the prevailing market rate.

1.8 Interest bearing loans and borrowings

Obligations for loans and borrowings are recognised when the company becomes party to the related contracts and are measured initially at the fair value of consideration received less directly attributable transaction costs.

1.9 Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

1.10 Pension cost recognition

The company operates a defined contribution pension scheme, contributions payable for the year are charged in the Statement of Comprehensive Income.

2. Revenue from rendering of services

	<u>2018</u>	<u>2017</u>
	£'000	£000
Revenue	<u>11,990</u>	<u>11,816</u>

Revenue represents charges receivable from Origen Financial Services Limited in respect of the provision of administrative services by the company.

For details of related party transactions, refer to note 10.

ORIGEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Administrative expenses

	<u>2018</u>	<u>2017</u>
	<u>£'000</u>	<u>£'000</u>
Administrative expenses	<u>11,990</u>	<u>11,816</u>
Included within administrative expenses are the following staff costs:		
Wages and salaries	8,314	8,588
Social security costs	1,033	971
Other pension costs	485	415
Termination and relocation costs	13	-
	<u>9,845</u>	<u>9,974</u>

The average monthly number of employees during the year was as follows:

	<u>2018</u>	<u>2017</u>
	Number	Number
Revenue generators (registered individuals)	54	55
Other staff	111	110
	<u>165</u>	<u>165</u>

Staff costs appearing in these financial statements are recharged to the regulated entity Origen Financial Services Limited as a management fee and are included within revenue in the Statement of Comprehensive Income of Origen Limited.

	<u>2018</u>	<u>2017</u>
	<u>£'000</u>	<u>£'000</u>
Operating lease payments – land and buildings	<u>414</u>	<u>342</u>

The fees paid to auditors in respect of the audit of the financial statements is borne by associate company Origen Financial Services Limited.

The total audit fees for statutory and regulatory reporting of Momentum Group Limited and its subsidiaries for 2018 was £108k (2017: £106k).

ORIGEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Administrative expenses (continued)

The amounts of directors' remuneration were as follows

(a) Directors' remuneration	<u>2018</u> £'000	<u>2017</u> £'000
Fees	55	66
Remuneration including bonuses	775	798
Aggregate amounts receivable by Directors in respect of long-term incentive schemes (other than shares and share options)	<u>30</u>	<u>30</u>
	<u>860</u>	<u>894</u>

Compensation for loss of office paid to directors amounted to Nil (2016: £Nil).

	<u>2018</u> <u>Number</u>	<u>2017</u> <u>Number</u>
Number of directors to whom retirement benefits accrued under a money purchase scheme	<u>3</u>	<u>3</u>

(b) Highest paid director	<u>2018</u> £'000	<u>2017</u> £'000
Amounts included above:		
Director's remuneration including bonuses	360	341

(c) Compensation of key management personnel (including directors)

Amounts paid by the company to key management personnel (including directors) during both the year and the preceding year were entirely in respect of services provided to related parties.

	<u>2018</u> £'000	<u>2017</u> £'000
Short term employee benefits	1,452	1,429
Post employment employee benefits	103	94
Payments to third parties for the services of key management personnel	<u>55</u>	<u>66</u>
	<u>1,610</u>	<u>1,589</u>

ORIGEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

4. Tax on result

(a) Current year tax

	<u>2018</u>	<u>2017</u>
<u>UK current tax</u>	<u>£'000</u>	<u>£'000</u>
Income tax (credit)/charge for the year	(24)	71
Adjustments in respect of prior years	-	-
Total current tax (credit)/charge	(24)	71
 <u>UK deferred tax</u>		
Excess of capital allowance over depreciation	2	3
Timing Differences	20	(65)
Adjustment in respect of prior years	-	-
Total deferred tax charge/(credit)	22	(62)
 Total tax (credit)/charge reported in the statement of comprehensive income	(2)	9

(b) Reconciliation of tax

	<u>2018</u>	<u>2017</u>
	<u>£'000</u>	<u>£'000</u>
Result before taxation	-	-
Income tax on accounting profit calculated using weighted average applicable statutory rates	-	-
Effect of change in rate of corporation tax on deferred tax	(2)	8
Non tax deductible expenses	-	1
Adjustment in respect of prior years	-	-
Total tax (credit)/charge reported in the statement of comprehensive income	(2)	9

The weighted average applicable statutory rate of tax is 19% for 2018 (2017: 19.25%).

The Finance (No.2) Act 2015, substantively enacted on the 26 October 2015, included future reductions to the corporation tax rate; from 20% to 19% with effect from 1 April 2017, and then to 18% from 1 April 2020. This was subsequently amended by the Finance Act 2016, substantively enacted on 6 September 2016. The corporation tax rate will now reduce from 19% to 17% with effect from 1 April 2020.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Tax on result (continued)

The impact of these reductions in tax rates on the deferred tax balances have been included in the above figures and in the deferred tax tables.

Tax payable

	<u>2018</u>	<u>2017</u>
	£'000	£'000
Income tax payable	-	72

Tax receivable

	<u>2018</u>	<u>2017</u>
	£'000	£'000
Income tax receivable	23	-

Deferred tax assets comprise

	<u>2018</u>	<u>2017</u>
	£'000	£'000
Capital Allowances	13	15
Timing Differences	208	228
Net deferred tax assets	221	243

Deferred tax assets

	<u>2018</u>	<u>2017</u>
	£'000	£'000
At 1 January	243	181
Amounts recorded in the income statement	(22)	62
At 31 December	221	243

The deferred tax asset is recognised due to the projected future taxable profits in the Aegon UK Plc group.

ORIGEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

5. Property, Plant and equipment

	<u>Computer equipment and software</u> £'000	<u>Total</u> £'000
Cost		
At 1 January 2017	441	441
Additions	-	-
Disposals	(374)	(374)
At 31 December 2017	<u>67</u>	<u>67</u>
Disposals	-	-
At 31 December 2018	<u>67</u>	<u>67</u>
Accumulated depreciation		
At 1 January 2017	441	441
Charge for the year	-	-
Disposals	(374)	(374)
At 31 December 2017	<u>67</u>	<u>67</u>
Charge for the year	-	-
Disposals	-	-
At 31 December 2018	<u>67</u>	<u>67</u>
Net book value		
At 31 December 2018	<u>-</u>	<u>-</u>
At 31 December 2017	<u>-</u>	<u>-</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Trade and other payables

	<u>2018</u>	<u>2017</u>
	<u>£'000</u>	<u>£'000</u>
Payable to Aegon UK plc subsidiary undertakings	112	78

For terms and conditions relating to related party transactions, refer to note 10.

7. Provisions

	<u>Dilapidations</u>	<u>Total</u>
	<u>£'000</u>	<u>£'000</u>
At 1 January 2018	123	123
Released in year	-	-
Provided in year	37	37
At 31 December 2018	160	160

All provisions at 31 December 2018 and 31 December 2017 are included in current liabilities.

Dilapidations

Origen Limited is required to restore the leased premises of its office space to their original condition at the end of the respective lease terms. During the year a further £37k has been provided in respect of potential dilapidation payments on the remaining leasehold of Origen Limited (2017: £35k).

8. Issued Share Capital

	<u>2018</u>	<u>2017</u>
	<u>£'000</u>	<u>£'000</u>
Authorised share capital		
1,000,000 (2017: 1,000,000) Ordinary shares of £1 each	1,000	1,000
Allotted, called up and fully paid		
500,000 (2017: 500,000) Ordinary shares of £1 each	500	500

Information on capital management and risk management is included in the Strategic Report under 'Corporate governance, capital management and financial instruments'.

ORIGEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Issued Share Capital (continued)

	<u>2018</u>	<u>2017</u>
	£'000	£'000
Capital contribution	105	105

The capital contribution reserve is used to record capital contributions received from the immediate parent undertaking, Momentum Group Limited.

No capital contributions were received during the year ended 31 December 2018 (2017: £Nil).

9. Obligations under leases

Operating lease agreements where the company is lessee

The company has entered into commercial leases on various properties around the United Kingdom. The duration of these leases vary, with the majority of the leases being subject to either termination or renewal within one year, with the furthest renewal or termination date of a lease being in five years.

Future aggregate minimum rentals payable under non-cancellable operating leases are as follows:

	<u>2018</u>	<u>2017</u>
	£'000	£'000
Less than one year	425	425
After one year but not more than five years	215	640
	640	1,065

10. Related party transactions

(a) Immediate parent undertaking

The immediate parent company is Momentum Group Limited which is registered in England and Wales. Copies of Momentum Group Limited financial statements are available from the Company Secretary, Aegon UK plc, Edinburgh Park, Edinburgh, EH12 9SE.

(b) Ultimate parent undertaking

The ultimate parent company is Aegon N.V., which is incorporated in the Netherlands. The group financial statements of Aegon N.V. are available from the Company Secretary, Aegon UK plc, Edinburgh Park, Edinburgh, EH12 9SE.

(c) Year end balances and transactions with related parties

Sales to related parties are made at cost and are detailed in notes 2 and 3.

ORIGEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Related party transactions (continued)

Outstanding balances receivables are unsecured, interest free and cash settlement is generally expected within 30 days of invoice. The company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 December 2018 the company has not made any provision for doubtful debt relating to amounts owed by related parties (2017: £Nil).

Year end balances related to related party transactions detailed in note 6.