

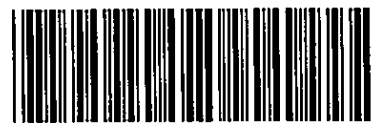
ORIGEN INVESTMENT SERVICES LIMITED

REGISTRATION NUMBER 703741

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2012

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ORIGEN INVESTMENT SERVICES LIMITED

COMPANY INFORMATION

Directors	Amanda Helen Bowe Howard Evans Kevin Mark Gravener Michael Hughes Matthew Moore Robert Thomas Waller
Secretary	<i>James Kenneth MacKenzie</i>
Company Number	703741
Registered Office	1 st Floor Pyramid House Solartron Road Farnborough Hampshire GU14 7QL
Auditors	Ernst & Young LLP Registered Auditor 1 More London Place London SE1 2AF

ORIGEN INVESTMENT SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The directors present their report and the audited financial statements for the year ended 31 December 2012

Structure of these accounts

The company's financial statements have been prepared on a going concern basis, and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as they apply to the financial statements of the company for the year ended 31 December 2012, and applied in accordance with the Companies Act legislation

Results and dividends

The results for the year are set out on page 8

The loss for the year, after taxation, is £17k 2011 restated (£297k loss) The directors do not recommend the payment of a dividend (2011 NIL)

Principal and ongoing activity

The Company's principal activity is the administration and management of Self Administered Pension business Origen Investment Services Limited is incorporated and domiciled in England & Wales

Review of business and future developments

The revenues recorded in the period of £444k (2011 restated £342k) were below the directors' expectations, and contributed to the 2012 loss before tax of £21k (2011 restated £386k loss) This reflected changes resulting from a prior period restatement to correct the accounting policy so that income is now deferred and directly aligned to the provision of services

Income recognised since 2010 has therefore been restated within these financial statements Details of the restatement are set out in notes 11 and 16

There was an increase in the cost of sales incurred by the Company to £598k (2011 £495k) mainly due to an increase in staff costs

During the year the Company received a refund of £168k in respect of the previous payment to HMRC for penalty interest in respect of SIPP Premium Relief at Source This refund was above the original payment which was charged against the provision already held at 31 December 2011 (£153k) As a result of this refund, together with a reduction of £143k in Compensation costs, the net Administration costs are lower than last year and in credit at -£65k (2011 £283k)

The services offered by the Company have minimal environmental impact Wherever possible however, the Company recycles office products such as paper and printer cartridges

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 in the year to 31 December 2012

ORIGEN INVESTMENT SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

Howard Evans and Amanda Helen Bowe served as directors throughout the year. The following were appointed as directors during the year:

Name	Date of appointment
Matthew Moore	18 January 2012
Mike Kirsch	2 February 2012
Kevin Mark Gravener	2 February 2012
Mark Robert Pearson	13 June 2012
Michael Hughes	15 June 2012

Patrick Nigel Christopher Gale resigned on 31st December 2012. Subsequent to the year end Robert Thomas Waller was appointed as a director on 23 January 2013 and Mike Kirsch resigned as director on 13th September 2013.

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, reputational 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 pensions markets,
- Reputational risk considers the impact of events such as failure to comply fully with regulatory requirements, and
- Operational risk considers the impact of failure to achieve planned results.

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, that the Company meets external capital requirements set by the FSA, 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, and through regular monitoring of regulatory capital. The Company's capital position and its movement from the prior year are disclosed within the Statement of Changes in Equity. The Company met all externally imposed capital requirements during the year.

The Company is not exposed to significant financial instrument risk. Credit risk is reduced as assets are primarily cash, which is placed with credit-rated banks, and intercompany receivables from other AEGON UK group companies.

ORIGEN INVESTMENT SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

Going concern

In assessing whether the company is a going concern the directors have taken into account the guidance issued by the Financial Reporting Council in October 2009

After making enquiries, which include considering the liquidity of the company's assets and confirmation of the availability of ongoing support from its parent company, 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.

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 of which the auditors are unaware, and each director has taken all steps that he ought to have taken as director to make himself aware of any relevant audit information, and to establish that the auditors are aware of that information.

Auditors

In accordance with the provisions of the Companies Act legislation, the Company has dispensed with the obligation to appoint auditors annually.

Annual General Meetings

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

This report was approved by the board on 30th September 2013 and signed on its behalf by

Rob Waller
Director



ORIGEN INVESTMENT SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the Company financial statements in accordance with applicable United Kingdom law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare those statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union. Under company law they must not approve the financial statements unless they are satisfied that they present fairly the state of the affairs of the Company and the Loss or loss of the Company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance,
- state that the Company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions, and disclose with reasonable accuracy at any time the financial position of the Company, and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ORIGEN INVESTMENT SERVICES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORIGEN INVESTMENT SERVICES LIMITED

We have audited the financial statements of Origen Investment Services Limited for the year ended 31 December 2012 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, and the Cash Flow Statement and the related notes 1 to 17. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditor's 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 Directors' Report and financial statements to identify material inconsistencies with the audited financial statements. 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 2012 and of its loss for the year then ended,
- ▶ have been properly prepared in accordance with IFRSs as adopted by the European Union, 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

ORIGEN INVESTMENT SERVICES LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ORIGEN INVESTMENT SERVICES LIMITED**

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

Giles Watson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date *2 October 2013*

ORIGEN INVESTMENT SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
AS AT 31 DECEMBER 2012**

	<u>Notes</u>	<u>2012</u>	<u>2011</u>
		<u>£'000</u>	<u>Restated</u> <u>£'000</u>
Revenue			
Revenue from rendering of services		444	342
Cost of sales	2	<u>(598)</u>	<u>(495)</u>
Gross Loss		<u>(154)</u>	<u>(153)</u>
Administrative expenses	3	<u>65</u>	<u>(283)</u>
Operating loss		<u>(89)</u>	<u>(436)</u>
Finance revenue	4	76	66
Finance costs	5	<u>(8)</u>	<u>(16)</u>
Loss before tax		<u>(21)</u>	<u>(386)</u>
Tax credit	6	<u>4</u>	<u>89</u>
Loss for the year		<u><u>(17)</u></u>	<u><u>(297)</u></u>

The loss for the year relates wholly to continuing activities and is attributable to the equity holders of the Company

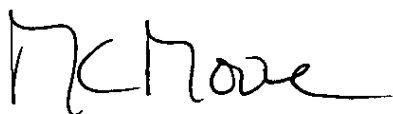
The Loss for the year is consistent with Total Comprehensive Income and there were no other items of comprehensive income not already reflected within the Loss for the year

ORIGEN INVESTMENT SERVICES LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012**

	<u>Notes</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>
		£'000	Restated £'000	Restated £'000
Non-current assets				
Trade and other receivables	9	8	-	1
Financial assets	8	500	500	500
Deferred tax asset	6	11	53	72
		<u>519</u>	<u>553</u>	<u>573</u>
Current assets				
Tax receivables	6	46	156	64
Trade and other receivables	9	76	33	82
Cash and short term deposits	10	915	1,280	1,280
		<u>1,037</u>	<u>1,469</u>	<u>1,426</u>
Total assets		<u>1,556</u>	<u>2,022</u>	<u>1,999</u>
Current liabilities				
Trade and other payables	11	213	590	184
Provisions	12	236	308	394
		<u>449</u>	<u>898</u>	<u>578</u>
Non current liabilities				
Financial liabilities	13	500	500	500
		<u>500</u>	<u>500</u>	<u>500</u>
Total liabilities		<u>949</u>	<u>1,398</u>	<u>1,078</u>
Net assets		<u>607</u>	<u>624</u>	<u>921</u>
Capital and reserves				
Issued capital	14	336	336	336
Share premium	14	79	79	79
Retained earnings		192	209	506
Total equity		<u>607</u>	<u>624</u>	<u>921</u>

The financial statements were approved by the board on 30th September 2013 and signed on its behalf by



Matthew Moore

Director

Company number 703741

ORIGEN INVESTMENT SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<u>Share premium</u> £'000	<u>Share capital</u> £'000	<u>Retained earnings</u> £'000	<u>Total</u> £'000
At 1 January 2012 (restated)	79	336	209	624
Loss for the year	-	-	(17)	(17)
At 31 December 2012	79	336	192	607

FOR THE YEAR ENDED 31 DECEMBER 2011

	<u>Share premium</u> £'000	<u>Share capital</u> £'000	<u>Retained earnings</u> £'000	<u>Total</u> £'000
At 31 December 2010 (as reported)	79	336	647	1,062
Restatement	-	-	(141)	(141)
At 1 January 2011 (Restated)	79	336	506	921
Loss for the year (Restated)	-	-	(297)	(297)
At 31 December 2011	79	336	209	624

The Company did not recognise any income or expense directly in equity (2011 £Nil)

ORIGEN INVESTMENT SERVICES LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<u>Notes</u>	<u>2012</u>	<u>Restated</u>
		<u>£'000</u>	<u>2011</u> <u>£'000</u>
Operating activities			
Loss before tax		(21)	(386)
<i>Adjustments to reconcile loss before tax to net cash inflow from operating activities</i>			
Depreciation on plant and equipment		0	1
Decrease in provisions	12	(72)	(86)
Net finance revenue	4 & 5	(68)	(50)
(Increase)/decrease in trade and other receivables	9	(51)	50
(Decrease) / Increase in trade and other payables	11	(377)	406
Income tax paid		156	15
Net cash inflow / (outflow) from operating activities		(433)	(50)
Financing Activities			
Interest received	4	76	66
Interest paid	5	(8)	(16)
Net cash inflow from financing activities		68	50
Net decrease in cash and cash equivalents		(365)	-
Cash and cash equivalents at 1 January		1,280	1,280
Cash and cash equivalents at 31 December	10	915	1,280

The cash flow statement is prepared according to the indirect method

ORIGEN INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1 Accounting policies

1.1.1 Basis of preparation

The Company's financial statements have been prepared on a going concern basis, and in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as they apply to the financial statements of the Company for the year ended 31 December 2012 and applied in accordance with the Companies Act legislation

Following a review of the Income Recognition policy, the Directors have decided that income should be aligned to the provision of services. Adjustments have therefore been made to defer income within these financial statements and prior periods have been restated accordingly

Notes 6, 12 and 17 set out the restated balances. No other notes have been restated from those included in the 31 December 2011 financial statements

After making enquiries, which included considering the liquidity of the Company's assets and confirmation of the availability of ongoing support from its parent company, 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 become effective on the date specified by IFRS, but may allow companies to opt for an earlier adoption date. In 2012, the following new standard issued by the IASB became mandatory

- IFRS 7 Financial Instruments Disclosures – Transfers of Financial Assets. The amendments to IFRS 7 were effective for annual periods beginning on or after July 1, 2011 and require the disclosure of transfer transactions of financial assets including the possible effects of any risks that may remain with the entity that transferred the assets. The amendment did not have any impact on the 2012 financial statements

In addition, the following new standards, amendments to existing standards and interpretations are mandatory for the first time for the financial year beginning January 1, 2012 but are not currently relevant for the Company

- IAS 12 Income Taxes – Recovery of Tax Assets,
- IFRS 1 First Time Adoption – Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters

The following amendments to the existing standard and interpretation, published prior to January 1, 2013, were not early adopted by the Company as they are not relevant for the Company

- IAS 19 Employee Benefits
- IFRS 1 First Time Adoption – Government Loans,
- IFRS 11 Joint Arrangements,
- IFRIC 20 – Stripping Costs in the Production Phase of a Surface Mine

ORIGEN INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1.1.3 Future adoption of new IFRS accounting standards

The following new standards, amendments to existing standards and interpretations, published prior to January 1, 2013, were not early adopted by the Company, but will be applied in future years

- **IFRS 7 Financial Instruments – Disclosures – Offsetting Financial Assets and Financial Liabilities** Effective for annual periods beginning on or after January 1, 2013, the new disclosures will provide users of financial statements with information about the effect or potential effect of netting arrangements on an entity's financial position. The Company does not expect this to impact its disclosures.
- **IFRS 9 Financial Instruments** is available for early adoption but mandatory for accounting periods beginning on or after January 1, 2015. It is not expected to have an impact on the Company's financial statements although the full impact of IFRS 9 will only be clear after the remaining stages of the IASB's project on IFRS 9 are completed and issued.
- **IFRS 10 Consolidated Financial Statements** The standard applies to financial years beginning on or after January 1, 2013, and identifies the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent Company. The Company is currently assessing the impact of this standard.
- **IFRS 12 Disclosure of Interests in Other Entities** The standard applies to financial years beginning on or after January 1, 2013, and provides disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The Company is currently assessing the impact of this standard.
- **IFRS 13 Fair Value Measurement** The standard applies to financial years beginning on or after January 1, 2013, and provides a definition of fair value and a single source of fair value measurement, and disclosure requirements for use across IFRSs. The Company does not expect this to impact on its financial position or performance.
- **IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income** The amendments apply to financial years beginning on or after July 1, 2012 and require the grouping together of items within other comprehensive income that may be reclassified to the profit or loss section of the income statement. The amendment affects presentation only and has no impact on the Company's financial position or performance.
- **IAS 27 Separate Financial Statements** The amendment becomes effective for annual periods beginning on or after January 1, 2013 and does not change the presentation of the separate financial statements, the Company does not expect any impact on the financial position or performance.
- **IAS 28 Investments in Associates and Joint Ventures** The amendment becomes effective for annual periods beginning on or after January 1, 2013. The Company is currently assessing the impact of this standard on the financial statements.
- **IAS 32 Financial Instruments – Presentation – Offsetting Financial Assets and Financial Liabilities** The amendments are effective for annual periods beginning on or after January 1, 2014, with earlier application permitted. The Company is currently assessing the impact of this standard.

ORIGEN INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Accounting policies (Continued)

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.

1.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding VAT. The following specific recognition criteria must also be met before revenue is recognised:

(a) Rendering of services

Revenue from rendering of services comprises of fees and is derived from the principal activity which is the administration and management of Self Administered Pension business as well as the provision of independent financial advice to individual and corporate clients in the United Kingdom. Fees are recognised as revenue in the accounting periods in which the services are provided and future income is deferred and held as a provision. Fees are raised when the business has established the right to the consideration.

(b) Interest income

Revenue is recognised as interest accrues using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount. Interest accrued is recognised by reference to the interest received, the amount outstanding and the effective interest rate applicable.

1.4 Property and equipment

Depreciation on property and equipment is calculated on a straight line basis as follows:

Fixtures and fittings	- 5 years
Short leasehold improvements	- over the period of the lease

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment charge.

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 property 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.

ORIGEN INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Accounting policies (Continued)

1.5 Financial assets

Financial assets are recognised on the trade date when the Company becomes a party to the contractual provisions of the instrument and are classified for accounting purposes depending on the characteristics of the instruments and the purpose for which they were purchased

(a) Classification

Financial assets with fixed or determinable payments that are not quoted on an active market and that the Company does not intend to sell in the near future are accounted for as loans. All remaining financial assets are classified as available for sale.

(b) Measurement

Financial assets are initially recognised at fair value plus, in the case of a financial asset not at fair value through profit or loss, any directly attributable incremental transaction costs. Loans are subsequently carried at amortised cost using the effective interest rate method.

Available for sale assets are recorded at fair value with changes in fair value recognised as a separate component of equity until the asset is derecognised or determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the Statement of Comprehensive Income.

(c) Amortised cost

The amortised cost of a debt instrument is the amount at which it is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation of any difference between the initial amount and the maturity amounts and minus any impairment. The effective interest rate method is a method of calculating the amortised cost and of allocating the interest income or expense over the relevant period.

(d) Fair value

The fair value of an asset is the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. For quoted financial assets for which there is an active market, the fair value is the bid price at the Statement of Financial Position date. In the absence of an active market, fair value is estimated by using present value or other valuation techniques.

(e) Impairment

Available for sale fixed interest debt securities are impaired when it is probable that not all amounts due will be collected as scheduled. The impairment loss is calculated as the difference between the fair value and amortised cost of the investment. Any unrealised gain/loss previously recognised in shareholders' equity is therefore taken to the Statement of Comprehensive Income in the impairment loss.

(f) Derecognition

A financial asset is derecognised when the contractual rights to the asset's cash flows expire, when the Company has transferred the asset and substantially all the risks and rewards of ownership, or when the Company has transferred the asset without transfer or retaining of substantially all the risks and rewards of ownership, provided the other party can sell or pledge the asset. On derecognition the difference between the disposal proceeds and the carrying amount is recognised in the Statement of Comprehensive Income. Any cumulative gain or loss previously recognised in equity is also recognised in the Statement of Comprehensive Income.

ORIGEN INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

1.6 Taxes

Current income tax

Current 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 balance sheet 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 balance sheet 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 on an undiscounted basis at the tax rates that are expected to apply when the related asset is realised or liability is settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.7 Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at the lower of their original invoice 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.

1.8 Cash and cash equivalents

Cash and short-term deposits comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

1.9 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.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Borrowing costs are recognised as an expense when incurred. Gains and losses arising on the repurchase, settlement or otherwise cancellation of liabilities are recognised respectively in finance revenue and finance cost. A liability is derecognised when the Company's obligation under the contract expires, is discharged or is cancelled.

ORIGEN INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

2 Cost of sales

Origen Investment Services Limited has no employees. It has a service contract with a fellow AEGON UK plc group undertaking Origen Limited, which supplies all its infrastructure and staff requirements at cost. The recharge cost is included in the Statement of Comprehensive Income under cost of sales and amounted to £598k in 2012 (2011 £495k).

For terms and conditions relating to related party transactions, refer to note 15.

3 Administrative expenses

	<u>2012</u> £'000	<u>2011</u> £'000
Amounts included in administrative expenses are as follows		
Compensation	(8)	143
Office & IT expenses	135	53
Legal & professional	(192)	87
TOTAL	<u>(65)</u>	<u>283</u>

During the year the Company received a refund of £168k in respect of the previous payment to HMRC for penalty interest on SIPP Premium Relief at Source. The refund was charged against the provision already held at 31 December 2011 (£153k). As a result of this refund, together with a reduction in compensation costs, the net administration costs are in credit and considerably lower than last year as a £65k credit (2011 £283k).

Origen Limited employs all staff whose costs are included in cost of sales (refer to note 2).

The directors' emoluments for executive directors and the remuneration of the Executive Chairman of Origen Investments Services Limited are disclosed in the financial statements of Origen Limited. Fees paid to directors are disclosed in the accounts of AEGON UK Distribution Holdings Limited.

The operating lease rental costs in respect of land and buildings are borne by the service Company Origen Limited, as are the audit costs for the same period.

ORIGEN INVESTMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

4 Finance revenue

	<u>2012</u>	<u>2011</u>
	£'000	£'000
Interest income on loan to immediate parent undertaking	7	5
Interest income on cash and short term deposits	<u>69</u>	<u>61</u>
	<u>76</u>	<u>66</u>

For terms and conditions relating to related party transactions, refer to note 15

5 Finance costs

	<u>2012</u>	<u>2011</u>
	£'000	£'000
Interest expense on loan from immediate parent undertaking	(10)	(10)
Bank refund / (charges)	<u>2</u>	<u>(6)</u>
	<u>(8)</u>	<u>(16)</u>

For terms and conditions relating to related party transactions, refer to note 15

ORIGEN INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

6 Taxation

(a) Current year tax credit

	<u>2012</u>	<u>Restated</u> <u>2011</u>
	<u>£'000</u>	<u>£'000</u>
<u>UK current tax</u>		
Corporation tax for the year	46	116
Adjustment in respect of prior years	-	(8)
Total current tax	<u>46</u>	<u>108</u>
<u>UK deferred tax</u>		
Excess of capital allowance over depreciation	(3)	(5)
Other timing differences	(39)	(14)
Adjustment in respect of prior years	-	-
Total deferred tax	<u>(42)</u>	<u>(19)</u>
Total tax credit in the Statement of Comprehensive Income	<u>4</u>	<u>89</u>

(b) Reconciliation of tax credit

	<u>2012</u>	<u>Restated</u> <u>2011</u>
	<u>£'000</u>	<u>£'000</u>
Loss / (profit) before tax per accounts	<u>21</u>	<u>386</u>
Corporation tax at 24.5% (2011: 26.5%)	5	103
Effects of	-	-
Adjustment to prior years	-	(8)
Disallowable expenses	-	-
Income taxed at other than standard rate	-	-
Other taxes	-	-
Deferred tax – rate change	(1)	(6)
Total tax credit in the Statement of Comprehensive Income	<u>4</u>	<u>89</u>

On 21 March 2012 the Chancellor announced that the corporation tax rate applicable from 1 April 2012 would be 24%. The previously enacted reduction from 26% to 25% was reflected in the deferred tax calculations as at 31 December 2011. A further reduction in corporation tax rate to 23% with effect from 1 April 2013 was enacted by Finance Act 2012 in July 2012. The effect of this 1% reduction in tax rate on the deferred tax balances has been included in the above figures and the deferred tax tables.

In his budget on 20 March 2013 the Chancellor announced that the tax rate applicable from 1 April 2014 will be 21% and that the rate applicable from 1 April 2015 will be 20%. These rate reductions are included in Finance Act 2013, they were not substantively enacted at the balance sheet date and are therefore not included in the above figures or deferred tax tables. The impact of these rate changes, from 23% to 20%, on the deferred tax asset is estimated to be a reduction of approximately £1k.

ORIGEN INVESTMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

Taxation (continued)

Tax receivable

	<u>2012</u>	<u>2011</u>
	£'000	£'000
Corporation tax recoverable	<u>46</u>	<u>156</u>

The weighted average applicable tax rate is 24.5% (2011: 26.5%)

Deferred tax assets comprise

	<u>2012</u>	<u>Restated</u>	<u>Restated</u>
	£'000	2011	2010
			£'000
Capital allowances	11	14	19
Deferred income provision	-	39	53
Net deferred tax assets	<u>11</u>	<u>53</u>	<u>72</u>

Deferred tax assets

	<u>2012</u>	<u>Restated</u>	<u>Restated</u>
	£'000	2011	2010
			£'000
At 1 January	53	72	24
Amounts recorded in the income statement	(42)	(19)	48
At 31 December	<u>11</u>	<u>53</u>	<u>72</u>

At 31 December 2012, the Company had a maximum potential deferred tax asset of £11k (2011: £14k) which related to capital allowances. As in 2011, the entire asset has been recognised in the accounts as it is probable that future taxable profit will allow the deferred tax asset to be recovered.

ORIGEN INVESTMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

7 Property, plant and equipment

	<u>Short leasehold improvements</u> £'000	<u>Fixtures and fittings</u> £'000	<u>Total</u> £'000
Cost			
At 1 January 2011	172	563	735
Disposals	(167)	(561)	(728)
At 31 December 2011	5	2	7
Disposals	(5)		(5)
At 31 December 2012	-	2	2
Depreciation			
At 1 January 2011	172	562	734
Charge for the year	-	1	1
Disposals	(167)	(561)	(728)
At 31 December 2011	5	2	7
Disposals	(5)		(5)
At 31 December 2012	-	2	2
Net book value			
At 31 December 2012	-	-	-
At 31 December 2011	-	-	-
At 1 January 2011	-	1	1

ORIGEN INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

8 Financial assets

	<u>2012</u>	<u>2011</u>
	£'000	£'000
Loan to immediate parent undertaking	<u>500</u>	<u>500</u>

The loan to immediate parent undertaking is an unsecured loan and interest is charged LIBOR

9 Trade and other receivables

	<u>2012</u>	<u>2011</u>
	£'000	£'000
Non-current trade and other receivables		
Other debtors – Rent Deposits paid	8	-
Current trade and other receivables		
Trade receivables	<u>76</u>	<u>33</u>
	<u>84</u>	<u>33</u>

Amounts due to fellow AEGON UK plc group undertakings are disclosed in note 11, trade and other payables For terms and conditions relating to related party transactions, refer to note 15

Trade receivables are non-interest bearing and shown net of any provision for impairment

As at 31 December 2012, trade receivables at a nominal value of £16k (2011 £32k) were impaired and fully provided for

Provisions

The decrease in provision for impairment of trade receivables in 2012 of £16k (2011 decrease of £5k), has been treated as a decrease in expenses Movements in the provision for impairment of receivables were as follows

	<u>2012</u>	<u>2011</u>
	£'000	£'000
At 1 January	32	37
Release for the year	<u>(16)</u>	<u>(5)</u>
At 31 December	<u>16</u>	<u>32</u>

As at 31 December the analysis of trade receivables that were past due but not impaired is as follows

	Total	Neither past due nor impaired	Past due but not impaired		
	£'000	£'000	<30 days £'000	30 – 90 days £'000	>90 days £'000
2012	76	41	-	7	28
2011	33	22	11	-	-

ORIGEN INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

10 Cash and short term deposits

	<u>2012</u>	<u>2011</u>
	£'000	£'000
Cash at bank	<u>915</u>	<u>1,280</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash and short term deposits is £915k (2011: £1,280k).

The Company only deposits cash surpluses with major banks of high quality credit standing.

11 Trade and other payables

	<u>2012</u>	<u>2011</u>
	£'000	£'000
Other payables	36	113
Amounts due to fellow AEGON UK plc group undertakings	175	398
Amounts repayable to clients	<u>2</u>	<u>79</u>
	<u>213</u>	<u>590</u>

For terms and conditions relating to related party transactions, refer to note 15.

12 Provisions

As a consequence of the change in the income recognition accounting policy, a provision for deferred income has been created of £236k (2011: restated £155k).

	2012	Movement in Year	2011	Movement in Year	2010
HMRC Provision	0	(153)	153	(47)	200
Deferred Income (restated)	236	81	155	(39)	194
Total (restated)	236	(72)	308	(86)	394

13 Financial liabilities

	<u>2012</u>	<u>2011</u>
	£'000	£'000
Amounts due to the immediate parent undertaking	<u>500</u>	<u>500</u>

Amounts due to the immediate parent undertaking relate to an unsecured loan, which is subordinated in favour of all other creditors. A notice period of a minimum of 5 years is required for repayment of this loan unless the approval of the Financial Services Authority is obtained. Interest is charged at 0.75% above LIBOR.

The amounts above reflect the sum payable at the Statement of Financial Position date.

ORIGEN INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

14 Capital and reserves

	<u>2012</u> £'000	<u>2011</u> £'000
Authorised share capital		
10,000,000 Ordinary shares of 5p each	<u>500</u>	<u>500</u>
Allotted, called up and fully paid		
6,729,789 Ordinary shares of 5p each	<u>336</u>	<u>336</u>

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

	<u>2012</u> £'000	<u>2011</u> £'000
Share premium	<u>79</u>	<u>79</u>

Share premium represents the difference between the price received by the Company when it sold shares and the par value of those shares

15 Related party transactions

(a) Immediate parent undertaking

The immediate parent company is AEGON UK plc which is registered in England and Wales. Copies of AEGON UK plc accounts are available from the Company Secretary, AEGON UK plc, Edinburgh Park, Edinburgh, EH12 9SE

(b) Ultimate parent undertaking

The ultimate parent company is AEGON NV, which is incorporated in the Netherlands. The group accounts of AEGON NV are available from the Company Secretary, AEGON UK plc, Edinburgh Park, Edinburgh, EH12 9SE

ORIGEN INVESTMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

Related party transactions (Continued)

(c) Year end balances and transactions with related parties

Administrative expenses are recharged to the Company at cost by Origen Limited (see note 2 for total amount of such transactions) The terms of loans from related parties are described in note 13 The terms of loans to related parties are described in note 8

Outstanding balances receivable are unsecured, interest free (except some loans) 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 2012 the Company has not made any provision for doubtful debt relating to amounts owed by related parties (2011 £Nil)

Year end balances related to related party transactions are detailed in notes 8, 9, 11 and 13

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

	<u>2012</u>	<u>2011</u>
	£'000	£'000
Short term employee benefits	18	21
Post employment employee benefits	2	2
Payments to third parties for the services of key management personnel	9	3
Termination payments	2	5
	<u>31</u>	<u>31</u>

16 Prior Period Restatement

The decision to change the basis of accounting for deferred income for the period ended 31st December 2012 represent a prior period accounting error which must be accounted for retrospectively in the financial statements Consequently Origen Investment Services Limited has adjusted all prior year comparative amounts presented in the current periods financial statements affected by the accounting error as shown below

	Restated 2011	As Reported 2011	Restated 2010	As Reported 2010
Revenue from Rendering of Services	342	303	380	491
Gross Profit / (Loss)	(153)	(192)	(82)	29
Operating Loss	(436)	(475)	(363)	(252)
Deferred tax asset	53	14	72	19
Retained Earnings	209	325	506	647
Provisions	308	153	394	200

ORIGEN INVESTMENT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2012**

17 Subsequent events

17.1 Sale of Company

On 22nd May 2013, a contract was signed with Suffolk Life Pensions Limited (the Transferee) to transfer certain assets from the Origen Self Invested Pension Scheme (The scheme) which will then be closed to new business and wound up

Additionally, contracts were agreed to sell two trust companies (Origen (MB) Trustees and Origen Pension Trustees) to Barnett Waddingham, and as a result, OISL resigned as Administrator on 30th June 2013. These 100% subsidiary companies have previously been carried at a value of £ zero

As a result of the above, OISL will cease trading at the end of 2013. The sale does not require a write off of deferred income at 31st December 2012 as it will accrue to the benefit of the company