

ORIGEN FINANCIAL SERVICES LIMITED

REGISTRATION NUMBER 3926629

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021



ORIGEN FINANCIAL SERVICES LIMITED

COMPANY INFORMATION

Directors	Robert Thomas Waller Howard Evans Duncan George Jarrett Alec Charles Ramsey Michelle Davis Linda Mary Whorlow Michael Morris (appointed 29 March 2022)
Secretary	James Kenneth MacKenzie
Company Number	3926629
Registered Office	Ascent 4 2 Gladiator Way Farnborough Hampshire GU14 6XN
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Atria One 144 Morrison Street Edinburgh EH3 8EX

ORIGEN FINANCIAL SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their Strategic Report for the year ended 31 December 2021.

Principal activities

The Company's principal activity is the provision of independent financial advice to individual and corporate clients.

Origen Financial Services Limited is a private limited company incorporated and domiciled in England & Wales.

Review of business and future developments

The Company is a wholly owned subsidiary of Momentum Group Limited.

The Origen business continues to offer regulated advice and related services to private clients and Corporate Customers and the business continues to develop its proposition in these areas.

The coronavirus (Covid-19) pandemic continues to cause disruption to society, impacting markets in which the Company operates, employees, suppliers and customers. The company is continuously monitoring the market and economic turbulence that has arisen as a consequence of the pandemic and the Russian invasion of Ukraine.

Profit reduced in the year. Overall income was almost flat year to year, reflecting the net dynamics from Covid-19 on broader market activity (with signs of recovery in the latter part of 2021) and demand for Origen's services and growth in other areas. Costs increased due to the execution of long term premises changes as well as increased insurance and regulatory fees.

Operations continued to be maintained at pre Covid-19 levels, including ongoing client contact. The business continued to trade fully through the pandemic's ongoing impact in 2021. As in 2020, the Company has not called on any Covid-19 related government support packages.

The Directors and Executive Management of the Company actively monitor Origen's balance sheet and capital position and the Company continues to benefit from shareholder support.

Corporate governance, capital management and financial instruments

Overview

The Aegon UK plc 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 corporate organisational structure, appropriate delegated authorities and independent internal audit and risk management functions. Risk management for the Company operates within this governance framework.

Origen has a formal structure in place for monitoring and managing risks across the business which comprises of a risk appetite, a detailed risk management framework including risk policies and oversight and challenge of risks. Origen's risk management function is responsible for risk methodology, risk tolerance and risk policies. This involves identifying risks, in particular operational risks, as well as reviewing and providing oversight and challenges for risk assessments carried out by operating units across the business.

The Directors consider that the Company is subject to strategic and market risk, operational risk and finance 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.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Strategic & Market Risk

These risks relate to Origen's strategic goal setting for the business and include external factors such as economic conditions, competitor actions, reputational damage and shareholder support. A key role of the Origen Board is to focus on company strategy and reputation and ensure that necessary resources are in place to meet the Company's objectives. The internal Origen governance structure consists of a series of statutory boards, executive management teams, committees / action groups and sub-committees / working groups. Origen's governance is overseen by Aegon UK plc.

Operational Risk

These risks are the ones the business faces on a day-to-day basis which can affect the success of achieving strategic goals and objectives. Operational risks will typically include business risks such as sales practices, regulatory and compliance risks, administration risks, business disruption and health and safety.

Origen manages its operational risk exposure to ensure that it is maintained within defined risk tolerance levels across the business. Identified risks are assessed and documented in line with requirements of the risk framework.

The oversight of Origen's operational and regulatory risk exposures is through the Compliance and Operational Risk Committee, which reports to the Origen Board.

Risk and compliance professionals are also employed within Origen to identify, implement and sustain the changes required as a result of new regulations and to instil a culture of compliance within the Company. Directors and other executives maintain a regular dialogue with the Financial Conduct Authority (FCA) to ensure that regulatory concerns are addressed as they arise.

Following the Covid-19 outbreak Origen invoked its business continuity plans to help ensure the safety of and well-being of its staff, as well as its capacity to support its customers and maintain its business operations, while maintaining its financial and operational resilience.

Finance Risk

These risks relate to events that could prevent the business achieving its objectives due to financial matters such as liquidity issues, capital resource issues and solvency of the business. Cash and short term deposits are placed with credit-rated banks which reduces credit risk and credit risk on trade and other debtors is managed through aged debtor analysis.

The Company's objectives in managing its capital are 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 FCA and allocates capital efficiently to support growth and return excess capital where appropriate. The Company manages its capital position by measuring its resources and cash available on a regular basis, and through regular monitoring of excess regulatory capital. The Company met all external capital requirements during the year.

The movement in the Company's equity position during the year is shown in the Statement of Changes in Equity.



Robert Thomas Waller
Director

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the audited financial statements for the year ended 31 December 2021.

Structure of these financial statements

These financial statements have been prepared in accordance with UK-adopted International Accounting Standards in conformity with requirements of the Companies Act 2006 as they apply to the financial statements of the Company for the year ended 31 December 2021.

Financial Results and dividends

The results for the year are set out on page 11.

The loss, before taxation, is £257k (2020: £659k profit). The Directors do not recommend the payment of a dividend (2020: £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 of the company who were in office during the year and up to the date of signing the financial statements were Michelle Davis, Howard Evans, Duncan George Jarrett, Alec Charles Ramsey, Robert Thomas Waller and Linda Mary Whorlow. Mark Robert Pearson resigned as a Director 21 July 2021 and Stephen James McGee resigned as a Director 31 December 2021. Subsequent to the year end Michael Morris was appointed as a Director 29 March 2022. 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.

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 including the possible ongoing impact of the Covid-19 pandemic, Russia's invasion of Ukraine 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 at least 12 months from the date of this report). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Political contributions

No political contributions were made during the year (2020: £Nil).

Directors' qualifying third party indemnity provisions

During the year and to the date of signing this report, 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 FINANCIAL SERVICES LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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 11 to 30 were approved by the Board of Directors on 20 April 2022 and signed on its behalf by



Robert Thomas Waller
Director

**STATEMENT OF THE DIRECTORS' RESPONSIBILITIES FOR THE YEAR ENDED 31
DECEMBER 2021**

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 UK-adopted international accounting standards.

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

The directors are also 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.

ORIGEN FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIGEN FINANCIAL SERVICES LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Origen Financial Services Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; 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 2021; the statement of comprehensive income, the statement of changes in equity and the cash flow statement 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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIGEN FINANCIAL SERVICES 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 Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 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 Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in

ORIGEN FINANCIAL SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIGEN FINANCIAL SERVICES LIMITED

respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, such as those governed by the Financial Conduct Authority, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, and management bias in accounting estimates and judgemental areas of the financial statements. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management;
- Reviewing relevant Board meeting minutes;
- Reviewing correspondence with the Financial Conduct Authority;
- Challenging the assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations; entries posted on unusual days and entries posted by unexpected users, where any such journal entries were identified; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

ORIGEN FINANCIAL SERVICES LIMITED

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

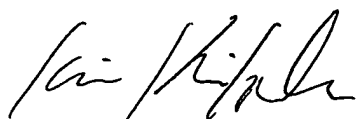
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained 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.



Iain Kirkpatrick (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
20 April 2022

ORIGEN FINANCIAL SERVICES LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u> £'000	<u>2020</u> £'000
Revenue			
Revenue from rendering of services		19,271	19,112
Cost of sales	2	<u>(13,841)</u>	<u>(13,182)</u>
Gross profit		5,430	5,930
Administrative expenses	3	<u>(5,633)</u>	<u>(5,231)</u>
Operating (loss)/profit		(203)	699
Finance income	4	-	3
Finance costs	5	<u>(54)</u>	<u>(43)</u>
(Loss)/profit before taxation		(257)	659
Tax credit	6	<u>183</u>	<u>152</u>
(Loss)/profit for the year		<u>(74)</u>	<u>811</u>

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

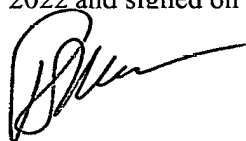
The (loss)/profit for the year is consistent with Total Comprehensive Income and there were no other items of comprehensive income/(expense) not already reflected within the loss for the year.

ORIGEN FINANCIAL SERVICES LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	<u>Note</u>	<u>2021</u> £'000	<u>2020</u> £'000
Non-current assets			
Property, plant and equipment	7	1,104	608
Trade and other receivables	8	2,419	2,806
Financial assets at amortised cost	9	2,500	2,500
Deferred tax asset	6	547	334
		<u>6,570</u>	<u>6,248</u>
Current assets			
Trade and other receivables	8	3,448	2,879
Cash and short term deposits	10	4,695	5,664
		<u>8,143</u>	<u>8,543</u>
Total assets		<u>14,713</u>	<u>14,791</u>
Current liabilities			
Tax payable	6	13	21
Trade and other payables	11	3,643	3,650
Financial liabilities	12	487	285
Provisions	14	53	85
		<u>4,196</u>	<u>4,041</u>
Non current liabilities			
Financial liabilities	13	5,638	5,797
		<u>5,638</u>	<u>5,797</u>
Total liabilities		<u>9,834</u>	<u>9,838</u>
Net assets		<u>4,879</u>	<u>4,953</u>
Capital and reserves			
Issued share capital	15	8,750	8,750
Capital contribution	15	24,591	24,591
Accumulated losses		(28,462)	(28,388)
Total equity		<u>4,879</u>	<u>4,953</u>

The financial statements on pages 11 to 30 were approved by the Board of Directors on 20 April 2022 and signed on its behalf by



Robert Thomas Waller
Director

Company number: 3926629

ORIGEN FINANCIAL SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>Issued share capital</u> £'000	<u>Capital contribution</u> £'000	<u>Accumulated losses</u> £'000	<u>Total Equity</u> £'000
At 1 January 2021	8,750	24,591	(28,388)	4,953
Loss for the year	-	-	(74)	(74)
At 31 December 2021	8,750	24,591	(28,462)	4,879

FOR THE YEAR ENDED 31 DECEMBER 2020

	<u>Issued share capital</u> £'000	<u>Capital contribution</u> £'000	<u>Accumulated losses</u> £'000	<u>Total Equity</u> £'000
At 1 January 2020	8,750	24,591	(29,199)	4,142
Profit for the year	-	-	811	811
At 31 December 2020	8,750	24,591	(28,388)	4,953

The Company did not recognise any income or expense directly in equity (2020: £Nil).

ORIGEN FINANCIAL SERVICES LIMITED

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u> £'000	<u>2020</u> £'000
Operating activities			
(Loss)/profit before tax		(257)	659
<i>Adjustments to reconcile (loss)/profit before tax to net cash inflow from operating activities:</i>			
Depreciation on property, plant and equipment and Right-of-use assets	7 & 8	828	794
Loss on RoU lease modification		-	14
(Decrease)/increase in provisions	14	(32)	29
Net finance cost		54	40
Increase in trade and other receivables	8	(569)	(517)
(Decrease)/increase in trade and other payables	11	(255)	1,841
Income tax paid		(38)	(417)
Net cash (used in)/generated from operating activities		(269)	2,443
Investing activities			
Purchase of property, plant and equipment	7	(937)	(171)
Net cash used in investing activities		(937)	(171)
Financing activities			
Interest received	4	-	3
Interest paid	5	(54)	(43)
Finance Lease		291	37
Net cash generated from/(used in) financing activities		237	(3)
Net (decrease)/increase in cash and cash equivalents		(969)	2,269
Cash and cash equivalents at 1 January		5,664	3,395
Cash and cash equivalents at 31 December	10	4,695	5,664

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

ORIGEN FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies

1.1.1 Basis of preparation

On 31 December 2020, IFRS as adopted by the European Union at that date was brought into UK law and became UK-adopted International Standards, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to UK-adopted International Accounting Standards in its company financial statements on 1 January 2021. This change constitutes a change in the accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial statements have been prepared on a going concern basis (see Directors' report for further details), in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared in accordance with the historical cost convention.

After making enquiries, which included considering the liquidity of the company's assets including the possible ongoing impact of the Covid-19 pandemic, Russia's invasion of Ukraine 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 at least 12 months from the date of this report). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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

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 2021, 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 4 Amendment, Insurance Contracts;
- IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Amendments, Interest Rate Benchmark Reform – Phase 2;
- IFRS 16 Amendment, Leases Covid-19 - Related rent concessions beyond 30 June 2021.

1.1.3 Future Adoption of new IFRS accounting standards

The following amendments to the existing standards and interpretation, published prior to January 1, 2022, which are not yet effective for or early adopted by the Company, will not significantly affect the financial position or financial statements:

- IFRS 17 Insurance Contracts;
- Amendments to IFRS 3, IAS 16, IAS 37 and Annual improvements 2018-20;

ORIGEN FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.1.3 Future Adoption of new IFRS accounting standards (continued)

- Amendments to IAS 1 Presentation of Financial Statements;
- Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- Amendments to IAS 8 Definition of Accounting Estimates;
- Amendments to IAS 1 and IFRS Practice statement 2 Disclosure of Accounting policies.

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.

The significant judgements made within the financial statements relate to the deferred tax asset see note 1.6, right-of-use assets see note 8 and provisions see note 14.

1.3 Revenue recognition

Revenue is recognised by the entity at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring services to a customer. Revenue is recognised net of discounts, VAT and any other sales related taxes. The following specific recognition criteria must also be met before revenue is recognised:

Rendering of services

Revenue from rendering of services is derived from the principal continuing activity which is the provision of independent financial advice to individual and corporate clients in the UK. Revenue comprises of fees, adviser charges and commission. Fees are recognised as revenue over time, in line with the period in which the services are provided and are recognised at the tax point date. Fees are raised when the business has established the right to the consideration. Initial commission and adviser charges are recognised as revenue at a point in time basis, when the policies are accepted by the product providers.

Trail commission is recognised as revenue on an accrued basis to the extent that commission receipts are probable and can be estimated reliably.

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, plant and equipment

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

Computer equipment and software	-	3 years
Plant machinery & vehicles	-	5 years
Short leasehold improvements	-	over the period of the lease

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

ORIGEN FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.4 Property, plant and equipment (continued)

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, 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 Statement of Comprehensive Income in the period of derecognition.

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 contractual characteristics of the instruments and the business model in which they are held.

(a) Classification

Financial assets where the contractual cash flows are solely principal and interest and the objective of the Company's business model is to collect the contractual cash flows of the asset, these are classified as financial assets at amortised cost.

(b) Measurement

All 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. Those that are classified as financial assets at amortised cost are subsequently carried at amortised cost using the effective interest rate method.

(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 arms 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

All financial assets held at amortised cost are considered to have low credit risk, and under this basis the loss allowance that would be recognised would be limited to 12 months' expected losses. Management consider 'low credit risk' for these financial assets to be where they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term. At present any expected loss is considered to be immaterial and therefore not recognised.

ORIGEN FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.5 Financial assets (continued)

(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.

1.6 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.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

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 the time value of money is material, receivables are carried at amortised cost. The IFRS 9 simplified approach to measuring expected credit losses has been applied, which uses a lifetime expected loss allowance for all trade receivables. This requires an expected loss to be recognised at initial recognition and is based on historic experience of payment profiles over a number of years, with consideration on whether this experience is reflective of future expectations. Balances are fully written off when the probability of recovery is assessed as being remote.

ORIGEN FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. Accounting policies (continued)

1.8 Cash and cash equivalents

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

1.9 Leases

A right-of-use asset and a lease liability are recognised at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of real estate and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses (using the same rate to measure the lease liability), if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The incremental borrowing rate is used as the discount rate.

The lease liability is measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the estimated amount of the expected payable under a residual value guarantee, or if the assessment changes of whether it will exercise a purchase, extension or termination option.

The right-of-use assets are presented in 'Trade and other receivables' and lease liabilities in 'Financial liabilities' in the statement of financial position.

1.10 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.

ORIGEN FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Cost of sales

Origen Financial Services Limited has no employees. It has a service contract with fellow Aegon UK plc group undertaking Origen Limited, which supplies all its staff requirements at cost.

Included within cost of sales and recharged by Origen Limited are the following staff costs:

	<u>2021</u>	<u>2020</u>
	£'000	£'000
Wages and salaries	10,022	9,916
Social security costs	1,196	1,163
Other pension costs	684	628
	<u>11,902</u>	<u>11,707</u>

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

	<u>2021</u>	<u>2020</u>
	Number	Number
Revenue generators (registered individuals)	64	67
Other staff	126	120
	<u>190</u>	<u>187</u>

Administrative expenses recharged by Origen Limited are detailed in note 3. Further details of related party transactions are set out in note 17.

3. Administrative expenses

	<u>2021</u>	<u>2020</u>
	£'000	£'000
Costs included within administrative expenses are as follows:		
Auditors' remuneration – audit of financial statements	108	108
Depreciation on property, plant and equipment	441	370

Administrative expenses include £1,106k (2020: £839k) relating to infrastructure recharges including the lease of land and buildings to the Company by Origen Limited. Further details of related party transactions are set out in note 17.

The fees paid to auditors by the Company are the total audit fees for the statutory and regulatory reporting of the Company, its immediate parent and Origen Limited.

The recharge cost of staff employed by Origen Limited is included in cost of sales and detailed in note 2.

The directors' emoluments for executive directors of Origen Financial Services Limited and fees paid to non-executive directors are disclosed in the financial statements of Origen Limited.

ORIGEN FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Finance income

	<u>2021</u>	<u>2020</u>
	£'000	£'000
Interest income from fellow Aegon UK plc group undertaking	-	3
	<u>-</u>	<u>3</u>

For terms and conditions relating to related party transactions, refer to note 17.

5. Finance costs

	<u>2021</u>	<u>2020</u>
	£'000	£'000
Interest expense on loan from Aegon UK plc	5	8
Interest on lease liabilities	49	35
	<u>54</u>	<u>43</u>

For terms and conditions relating to related party transactions, refer to note 17.

6. Tax credit

(a) Current year tax

	<u>2021</u>	<u>2020</u>
<u>UK current tax</u>	£'000	£'000
Income tax charge for the year	(13)	(162)
Adjustment in respect of prior years	(17)	141
Total current tax charge	<u>(30)</u>	<u>(21)</u>

UK deferred tax

Excess of capital allowance over depreciation	181	77
Trade losses	14	34
Adjustment in respect of prior years	18	62
Total deferred tax credit	<u>213</u>	<u>173</u>

Total tax credit reported in the Statement of Comprehensive Income	<u>183</u>	<u>152</u>
--	------------	------------

ORIGEN FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Tax credit (continued)

(b) Reconciliation of tax

	<u>2021</u> £'000	<u>2020</u> £'000
(Loss)/profit before taxation	<u>(257)</u>	<u>659</u>
Income tax calculated using the weighted average applicable statutory rates	49	(125)
Adjustment in respect of prior years	1	203
Non-taxable income	4	-
Non-deductible expenses	(2)	(8)
Recognition of deferred tax asset previously unrecognised	-	63
Effect of change in the rate of corporation tax on deferred tax	<u>131</u>	<u>19</u>
Total tax credit reported in the Statement of Comprehensive Income	<u><u>183</u></u>	<u><u>152</u></u>

The weighted average applicable statutory tax rate is 19.00% for 2021 (2020: 19.00%).

The current tax rate of 19%, which has been effective since 1 April 2017, was enacted by Finance (No. 2) Act on 26 October 2015. The Finance Act 2016, enacted on 6 September 2016, included a future reduction in the corporation tax rate from 19% to 17% with effect from 1 April 2020, however in the Spring Budget 2020, the Government announced the corporation tax rate would remain at 19% from 1 April 2020 and this was substantively enacted on 17 March 2020.

The Finance Act 2021, substantively enacted on 24 May 2021, included a future increase to the corporation tax rate from 19% to 25% with effect from 1 April 2023.

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

	<u>2021</u> £'000	<u>2020</u> £'000
Tax payables		
Income tax payable	<u>13</u>	<u>21</u>
Deferred tax assets comprise	<u>2021</u> £'000	<u>2020</u> £'000
Capital allowances	483	298
Timing differences	1	2
Trade losses	63	34
Deferred tax assets	<u><u>547</u></u>	<u><u>334</u></u>

ORIGEN FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

6. Tax credit (continued)

(b) Reconciliation of tax (continued)

	<u>2021</u>	<u>2020</u>
	£'000	£'000
Deferred tax assets		
At 1 January	334	161
Amounts recorded in the Statement of Comprehensive Income	213	173
At 31 December	<u>547</u>	<u>334</u>

The critical accounting estimates and judgements relating to the recovery of this deferred tax asset are described in Note 1.6.

The deferred tax assets are recognised in full due to the projected future profits in the Aegon UK Plc group.

7. Property, plant and equipment

	<u>Plant, machinery and vehicles</u> £'000	<u>Short leasehold improvements</u> £'000	<u>Computer equipment and software</u> £'000	<u>Total</u> £'000
Cost				
At 1 January 2020	84	846	2,162	3,092
Additions	-	77	94	171
At 31 December 2020	84	923	2,256	3,263
Additions	4	652	281	937
Disposals	(15)	(731)	(582)	(1,328)
At 31 December 2021	73	844	1,955	2,872
Accumulated depreciation				
At 1 January 2020	83	780	1,422	2,285
Charge for the year	-	65	305	370
Disposals	-	-	-	-
At 31 December 2020	83	845	1,727	2,655
Charge for the year	1	122	318	441
Disposals	(15)	(731)	(582)	(1,328)
At 31 December 2021	69	236	1,463	1,768
Net book value				
At 31 December 2021	4	608	492	1,104
At 31 December 2020	1	78	529	608

ORIGEN FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Trade and other receivables

	<u>2021</u> £'000	<u>2020</u> £'000
Non-current trade and other receivables		
Other debtors – Rent Deposits paid	101	101
Right-of-use assets	2,318	2,705
	<u>2,419</u>	<u>2,806</u>
Current trade and other receivables		
Trade receivables	1,286	852
Other receivables	-	8
Amounts owed from fellow Aegon UK plc group undertakings	-	66
Prepayments and accrued income	2,162	1,953
	<u>3,448</u>	<u>2,879</u>
	<u><u>5,867</u></u>	<u><u>5,685</u></u>

Trade receivables are non-interest bearing and are generally on 30 day terms and are shown net of any provision for impairment.

As at 31 December 2021, trade receivables at a nominal value of £11k (2020: £17k) were provided for.

Movements in the provision for impairment of trade receivables were as follows:

	<u>2021</u> £'000	<u>2020</u> £'000
At 1 January	17	10
Charge for the year	8	10
Unused amounts reversed (See note 1)	(14)	(3)
At 31 December	<u>11</u>	<u>17</u>

Note 1- unused amounts reversed reflects the net movement in the brought forward provision during the year.

As at 31 December 2021 and 31 December 2020, the analysis of trade receivables that were past due is as follows:

	Total		Days outstanding		
		<30 days	30 – 90 days	>90 days	
	£'000	£'000	£'000	£'000	
2021	1,286	831	351	104	
2020	852	388	434	30	

ORIGEN FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Trade and other receivables (continued)

Movements in right-of-use assets were as follows:

	<u>Office equipment</u> £'000	<u>Real estate for own use</u> £'000	<u>Total</u> £'000
Cost			
At 1 January 2021	91	3,399	3,490
Disposals	-	(531)	(531)
At 31 December 2021	91	2,868	2,959
Accumulated depreciation and impairment losses			
At 1 January 2021	(48)	(737)	(785)
Depreciation through income statement	(24)	(363)	(387)
Disposals	-	531	531
At 31 December 2021	(72)	(569)	(641)
Net book value			
At 31 December 2021	19	2,299	2,318
At 31 December 2020	43	2,662	2,705

For information on the Lease liabilities and maturity analysis, please refer to note 12 current financial liabilities, note 13 non current financial liabilities and note 16 lease obligations respectively.

9. Financial assets at amortised cost

	<u>2021</u> £'000	<u>2020</u> £'000
Non-current		
Loan to a fellow Aegon UK plc group undertaking	500	500
Loan to immediate parent undertaking	2,000	2,000
	<u>2,500</u>	<u>2,500</u>

The loan to a fellow Aegon UK plc group undertaking is unsecured and bears interest at a rate 0.75% above LIBOR. Following the removal of LIBOR at the end of 2021 the loan agreement will be terminated in 2022 and replaced with a new agreement. The current interest rate of 0.75% above LIBOR will be replaced by 1% above SONIA, all other terms of the loan will remain unchanged. During the transition period to the new agreement the interest rate of 0.75% above synthetic LIBOR will be applied. The new agreement will not be signed at the 2021 financial statements signing date. The loan to immediate parent undertaking is unsecured and does not bear interest.

10. Cash and short term deposits

	<u>2021</u> £'000	<u>2020</u> £'000
Cash at bank	<u>4,695</u>	<u>5,664</u>

The cash at bank is non-interest bearing.

ORIGEN FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Trade and other payables

	<u>2021</u>	<u>2020</u>
	£'000	£'000
Current trade and other payables		
Trade payables	112	86
Other payables	330	881
Amounts owed to fellow Aegon UK plc group undertakings	869	787
Accruals and deferred income	<u>2,332</u>	<u>1,896</u>
	<u>3,643</u>	<u>3,650</u>

Current trade and other payables are non-interest bearing and are normally settled within 30 days. Further details of related parties are set out in note 17.

12. Current financial liabilities

	<u>2021</u>	<u>2020</u>
	£'000	£'000
Finance lease	215	37
Lease liabilities	<u>272</u>	<u>248</u>
	<u>487</u>	<u>285</u>

13. Non-current financial liabilities

	<u>2021</u>	<u>2020</u>
	£'000	£'000
Loan from immediate parent undertaking	2,550	2,550
Loan from fellow Aegon UK plc group undertaking	650	650
Lease liabilities	2,270	2,542
Other liabilities	<u>168</u>	<u>55</u>
	<u>5,638</u>	<u>5,797</u>

The loan from immediate parent undertaking is unsecured and subordinated to the interests of all other creditors. The loan is non-interest bearing and has no expiry.

The loan from fellow Aegon UK plc group undertaking is unsecured and subordinated to the interests 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 Conduct Authority is obtained. Interest is charged at a rate 0.75% above LIBOR. Following the removal of LIBOR at the end of 2021 the loan agreement will be terminated in 2022 and replaced with a new agreement. The current interest rate of 0.75% above LIBOR will be replaced by 1% above SONIA, all other terms of the loan will remain unchanged. The new agreement will not be signed at the 2021 financial statements signing date. During the transition period to the new agreement the interest rate of 0.75% above synthetic LIBOR will be applied.

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

ORIGEN FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

14. Provisions

	<u>Compensation</u>	<u>Indemnity</u>	<u>Total</u>
	£'000	£'000	£'000
At 1 January 2021	77	8	85
Released in year	(2)	(4)	(6)
Provided in year	118	3	121
Utilised in year	(146)	(1)	(147)
At 31 December 2021	47	6	53

Provision calculations involve the use of management judgement and estimates. Accordingly, there are inherent uncertainties within the calculations, and it is possible that the eventual costs incurred may differ from the amounts provided. All provisions at 31 December 2021 are included in current liabilities.

Compensation provision

The directors are aware of certain claims made by clients arising from professional advice given by the Company. These claims have been considered and a gross provision of £47k (2020: £77k) has been made, being the directors' best estimate of any claims or legal fees that may result.

Indemnity provision

Provision for repayment of indemnity commission earned prior to 31 December 2021 in the event that a policy lapses or is adjusted after that date is included in the financial statements. The provision is based on a statistical analysis of smaller historical indemnity claims plus provision for any larger repayment claims notified to the date of the approval of these financial statements. The future level of policy lapses and adjustments and the consequent repayment of commission is highly uncertain and the amount of the indemnity provision is therefore subject to a significant degree of management judgement.

Dilapidation provision

The Company is required to restore the leased premises of its office space to their original condition at the end of the respective lease terms. Dilapidation provisions are recharged to the Company by Origen Limited at cost and included within administrative expenses note 3. During the year a further £44k has been provided in the service entity Origen Limited and recharged to the Company in respect of potential dilapidation payments on the remaining leasehold (2020: £22k).

ORIGEN FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

15. Capital and reserves

	<u>2021</u> £'000	<u>2020</u> £'000
Authorised share capital		
8,750,000 (2020: 8,750,000) ordinary shares of £1 each	<u>8,750</u>	<u>8,750</u>
Allotted, called up and fully paid		
8,750,000 (2020: 8,750,000) ordinary shares of £1 each	<u>8,750</u>	<u>8,750</u>
	<u>2021</u> £'000	<u>2020</u> £'000
Capital contribution	<u>24,591</u>	<u>24,591</u>

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

No contributions were received during the year ended 31 December 2021 (2020: £Nil).

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

16. Lease obligations

The remaining contractual maturity of the lease liabilities, are set out in the table below. The lease liabilities, presented in notes 12 and 13, are recognised on a discounted basis whereas the below analysis is presented on an undiscounted basis.

	<u>< 1 yr</u> <u>Amount</u>	<u>1<2 yr</u> <u>Amount</u>	<u>2<3 yrs</u> <u>Amount</u>	<u>3<4 yrs</u> <u>Amount</u>	<u>4<5yr</u> <u>Amount</u>	<u>>5 yrs</u> <u>Amount</u>	<u>Total</u> <u>Amount</u>
	<u>2021</u> £'000	<u>2021</u> £'000	<u>2021</u> £'000	<u>2021</u> £'000	<u>2021</u> £'000	<u>2021</u> £'000	<u>2021</u> £'000
Lease liabilities	316	386	386	317	277	1,049	2,731
	<u>2020</u> £'000	<u>2020</u> £'000	<u>2020</u> £'000	<u>2020</u> £'000	<u>2020</u> £'000	<u>2020</u> £'000	<u>2020</u> £'000
Lease liabilities	297	316	386	386	317	1,326	3,028

ORIGEN FINANCIAL SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

17. 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

Administrative expenses and cost of sales are recharged to the Company by Origen Limited at cost, details are set out in notes 2 and 3. The terms of loans from related parties are described in note 13. The terms of loans to related parties are described in note 9.

Outstanding balances (other than related party loans) are generally 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 2021 the Company has not made any provision for doubtful debt relating to amounts owed by related parties (2020: £Nil).

The company operates a deferred bonus scheme with funds held in Origen Financial Services LTIP Settlement ("the Trust"), in which the trustees are also employees of the Company. The trade and other payables balance includes £99k (2020: £116k) owing to the Trust, during the year £4k was paid into the Trust and £226k was received by the Company.

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

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

	<u>2021</u> £'000	<u>2020</u> £'000
Short term employee benefits	1,450	1,470
Post employment employee benefits	113	102
Payments to third parties for the services of key management personnel	52	52
	<u>1,615</u>	<u>1,624</u>

Highest paid director

	<u>2021</u> £'000	<u>2020</u> £'000
Amounts included above:		
Director's remuneration including bonuses	392	385
Post employment employee benefits	4	5
	<u>396</u>	<u>390</u>

Compensation for loss of office paid to directors amounted to Nil (2020: £Nil).

ORIGEN FINANCIAL SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Related party transactions (continued)

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

There are 4 non-executive directors, who served during the year. The emoluments relating to 2 of these directors was paid by Origen Limited and recharged to the company in full, the other 2 non-executive directors are employed by the Aegon UK plc Group and are fully remunerated by Aegon UK plc, emoluments for these non-executive directors are not recharged to Origen. The Directors do not believe that it is practicable to apportion this amount between their services as non-executive Directors of Origen Financial Services Limited and their services to other Aegon UK plc Group companies.