

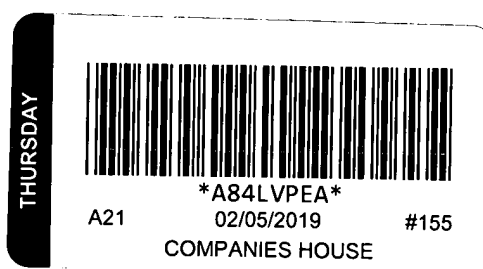
**MOMENTUM GROUP LIMITED**

**REGISTRATION NUMBER 3926849**

**STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2018**



# **MOMENTUM GROUP LIMITED**

## **COMPANY INFORMATION**

Directors	James Ewing Adrian Thomas Grace Stephen James McGee Robert Thomas Waller
Secretary	James Kenneth MacKenzie
Company Number	3926849
Registered Office	1 <sup>st</sup> Floor Infor House 1 Lakeside Road Farnborough Hampshire GU14 6XP
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Atria One 144 Morrison Street Edinburgh EH3 8EX

# **MOMENTUM GROUP LIMITED**

## **THE STRATEGIC REPORT**

### **Principal and ongoing activities**

The Company's principal activity is to act as the holding company for Origen Financial Services Limited and Origen Limited.

The Company's primary accounting transactions are in respect of interest charges payable to its holding company Aegon UK plc and the receipt of capital contributions from Aegon UK plc to fund investments in Origen Financial Services Limited and Origen Limited.

Momentum Group Limited is incorporated and domiciled in England & Wales.

### **Review of business and future developments**

As the company is an intermediate holding company, the board does not use key performance indicators to measure the performance of the business. The board does not anticipate any changes to the principal activity in the foreseeable future.

The Board has concluded that there are no indicators of impairment that would require the Directors to consider the carrying value of investments in subsidiaries as at 31 December 2018.

During the year the Directors continued to review the capital position of the company. In March 2018 the company's immediate parent, Aegon UK plc, provided a capital contribution of £884k (2017: £Nil). This amount was used to settle the external bank overdraft facility.

In 2019, the board will continue to review the capital position of Momentum Group Limited on a regular basis, in order to maintain the Company's capital strength.

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

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

### **Directors' qualifying third party indemnity provisions**

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

# **MOMENTUM GROUP LIMITED**

## **REPORT BY THE DIRECTORS**

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

### **Structure of these financial statements**

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

### **Financial Results and dividends**

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

In 2018 the Company made a loss before tax of £7k arising from its intermediate holding activity (2017: £12k). The Directors do not recommend the payment of a dividend (2017: £Nil).

### **Financial risk management**

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

### **Immediate and ultimate parent undertaking**

The immediate parent Company is Aegon UK plc and the ultimate parent Company is Aegon N.V..

### **Directors and their interests**

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

### **Political contributions**

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

### **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 include considering the liquidity of the Company's assets and confirmation of the availability of ongoing support from the immediate parent undertaking, 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.

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

## **MOMENTUM GROUP LIMITED**

### **REPORT BY THE DIRECTORS**

#### **Disclosure of information to auditors**

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

#### **Independent Auditors**

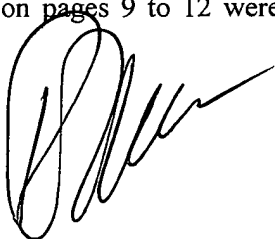
PricewaterhouseCoopers LLP have indicated their willingness to be reappointed for another term and have been deemed reappointed under section 487(2) of Companies Act 2006.

#### **Annual General Meetings**

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

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

**Robert Thomas Waller**  
**Director**



## **MOMENTUM GROUP LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT IN RELATION TO THE FINANCIAL STATEMENTS**

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Report by the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **MOMENTUM GROUP LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOMENTUM GROUP LIMITED**

#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Momentum Group Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Strategic Report, Directors' Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the statement of comprehensive income, the cash flow statement, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

## **MOMENTUM GROUP LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOMENTUM GROUP LIMITED**

#### **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.

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

With respect to the Strategic Report and Report by the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### ***Strategic Report and Report by the Directors***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Report by the Directors for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Report by the Directors.

#### **Responsibilities for the financial statements and the audit**

##### ***Responsibilities of the directors for the financial statements***

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### ***Auditors' responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in



## **MOMENTUM GROUP LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF MOMENTUM GROUP LIMITED**

accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://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.

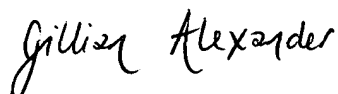
#### **Other required reporting**

##### **Companies Act 2006 exception reporting**

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



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

# MOMENTUM GROUP LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	<u>Notes</u>	<u>2018</u> £'000	<u>2017</u> £'000
Finance costs	2	(7)	(12)
<b>Loss before tax</b>		<b>(7)</b>	<b>(12)</b>
Income tax credit	3	1	2
<b>Loss for the year</b>		<b>(6)</b>	<b>(10)</b>

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 Expense and there were no other items of comprehensive expense not already reflected within the loss for the year.

The notes on pages 13 to 20 form an integral part of the financial statements.

**MOMENTUM GROUP LIMITED**

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> £'000	<u>2017</u> £'000
<b>Non-current assets</b>			
Investments in subsidiaries	4	3,700	3,700
Financial assets	5	<u>2,550</u>	<u>2,550</u>
		<u>6,250</u>	<u>6,250</u>
<b>Current assets</b>			
Income tax receivables	3	1	2
Trade and other receivables	6	<u>139</u>	<u>136</u>
		<u>140</u>	<u>138</u>
<b>Total assets</b>		<u>6,390</u>	<u>6,388</u>
<b>Current liabilities</b>			
Financial liabilities	7	<u>-</u>	<u>883</u>
		<u>-</u>	<u>883</u>
<b>Non-current liabilities</b>			
Financial liabilities	7	<u>2,264</u>	<u>2,257</u>
<b>Total liabilities</b>		<u>2,264</u>	<u>3,140</u>
<b>Net assets</b>		<u>4,126</u>	<u>3,248</u>
<b>Capital and reserves</b>			
Share capital	9	326	326
Capital contribution		36,598	35,714
Accumulated Losses		<u>(32,798)</u>	<u>(32,792)</u>
<b>Total equity</b>		<u>4,126</u>	<u>3,248</u>

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



**Robert Thomas Waller**  
**Director**

Company number: 3926849

**MOMENTUM GROUP LIMITED**

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

	<u>Share capital</u> £'000	<u>Capital contribution</u> £'000	<u>Accumulated losses</u> £'000	<u>Total Equity</u> £'000
At 1 January 2018	326	35,714	(32,792)	3,248
Movement for the year	-	884	(6)	878
<b>At 31 December 2018</b>	<b>326</b>	<b>36,598</b>	<b>(32,798)</b>	<b>4,126</b>

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	<u>Share capital</u> £'000	<u>Capital contribution</u> £'000	<u>Accumulated losses</u> £'000	<u>Total Equity</u> £'000
At 1 January 2017	326	35,714	(32,782)	3,258
Loss for the year	-	-	(10)	(10)
<b>At 31 December 2017</b>	<b>326</b>	<b>35,714</b>	<b>(32,792)</b>	<b>3,248</b>

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

**MOMENTUM GROUP LIMITED**

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

	<u>Note</u>	<u>2018</u> £'000	<u>2017</u> £'000
<b>Operating activities</b>			
Loss before tax		(7)	(12)
<i>Adjustments to reconcile loss before tax to net cash outflow from operating activities:</i>			
Finance costs	2	7	12
Net cash outflow from operating activities		-	-
<b>Financing activities</b>			
Income tax received		2	2
Increase in trade and other receivables		(3)	(2)
Interest Paid		(7)	(12)
Increase in trade and other payables		7	5
Capital Contribution		884	-
Net cash generated in financing activities		883	(7)
Net increase/(decrease) in cash and cash equivalents		883	(7)
Cash and cash equivalents at 1 January		(883)	(876)
<b>Cash and cash equivalents at 31 December</b>	7	-	(883)

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

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

**1. Accounting policies**

**1.1.1 Basis of preparation**

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

The Company has made use of the Companies Act 2006 S400 exemption from preparing consolidated 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 immediate parent undertaking, 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.

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 2018, the following amendments to existing standards issued by the IASB became mandatory but are not currently relevant or do not significantly impact the financial position or financial statements:

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

## **MOMENTUM GROUP LIMITED**

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

#### **1. Accounting policies (continued)**

##### **1.1.3 Future Adoption of new IFRS accounting standards**

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

- IFRS 3 Amendment, Business Combinations;\*
- IFRS 9 Amendment Prepayment features with Negative Compensation;
- IFRS 16 Leases;
- IFRS 17 Insurance Contracts;\*
- IAS 1 and IAS 8 Definition of Material;\*
- IAS 19 Plan Amendment, curtailment or settlement;\*
- IAS 28 Amendment Long-term interests in Associates and Joint ventures;
- IFRIC 23 Uncertainty over Income Tax Treatments; and
- Amendments to references to The Conceptual Framework.

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

#### **1.2 Significant accounting judgements, estimates and assumptions**

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Statement of Financial Position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

##### **Investments in subsidiaries**

The Company assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Investments in subsidiaries are tested for impairment when there are indicators that the carrying amounts may not be recoverable. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset and choose a suitable discount rate in order to calculate the present value of those cash flows.

#### **1.3 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.

##### **(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.

## MOMENTUM GROUP LIMITED

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

#### 1. Accounting policies (continued)

##### (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

Financial assets are impaired when it is considered 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 or 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.

#### 1.4 Investment in subsidiaries

Subsidiaries are entities over which the Company has direct or indirect power to govern the financial and operating policies so as to obtain benefits from its activities ('control'). The assessment of control is based on the substance of the relationship between the Company and the entity and, among other things, considers existing and potential voting rights that are currently exercisable and convertible.

Subsidiaries are accounted for at cost. Any impairment on individual investments in subsidiaries held at cost is determined at each reporting date. Dividends from subsidiaries are included in investment income when paid (or in respect of final dividends when approved), net of any impairment of the investment in subsidiary resulting from the dividend.



## **MOMENTUM GROUP LIMITED**

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

#### **1. Accounting policies (continued)**

##### **1.5 Taxes**

###### **Current income tax**

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

###### **Deferred income tax**

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

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

##### **1.6 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.

##### **1.7 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. The liability is derecognised when the Company's obligation under the contract expires, is discharged or is cancelled.

##### **1.8 Impairment of assets**

The Company assesses at each reporting date whether there is an indication that any asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used, these calculations corroborated by valuation multiples, or other available fair value indicators. Impairment losses on continuing operations are recognised in the income statement in expenses.

**MOMENTUM GROUP LIMITED**

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

**2. Finance costs**

	<u>2018</u> £'000	<u>2017</u> £'000
Interest expense on bank overdraft	1	7
Interest expense on loans from immediate parent undertaking	6	5
	<u>7</u>	<u>12</u>

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

**3. Total tax credit reported in the statement of comprehensive income**

**(a) Current year tax credit**

	<u>2018</u> £'000	<u>2017</u> £'000
<u>UK current tax</u>		
Income tax credit for the year	1	2
Total current tax	<u>1</u>	<u>2</u>
<b>Total tax credit reported in the statement of comprehensive income</b>	<u>1</u>	<u>2</u>

**(b) Reconciliation of tax credit**

	<u>2018</u> £'000	<u>2017</u> £'000
Loss before tax	(7)	(12)
Income tax calculated using weighted average applicable statutory rates	1	2
Total tax credit reported in the statement of comprehensive income	<u>6</u>	<u>2</u>

The weighted average applicable statutory rates is 19.00% (2017: 19.25%).

A deferred tax asset of £113k (2017: £113k) has not been recognised in respect of the £666k unutilised tax losses carried forward (2017: £666k) as there is insufficient certainty as to the availability of future profits.

# MOMENTUM GROUP LIMITED

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

### 3. Income tax credit (continued)

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

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

<b>Tax Receivable</b>	<b><u>2018</u></b>	<b><u>2017</u></b>
	<b>£'000</b>	<b>£'000</b>
Income tax receivable	<u>1</u>	<u>2</u>

### 4. Investments in subsidiaries

	<b><u>2018</u></b>	<b><u>2017</u></b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	<u>3,700</u>	<u>3,700</u>
At 31 December	<u>3,700</u>	<u>3,700</u>

<b><u>Name</u></b>	<b><u>Principal Activity</u></b>	<b><u>Registered Address</u></b>
Origen Financial Services Limited	Provision of independent financial advice	1 <sup>st</sup> Floor Infor House 1 Lakeside Road Farnborough Hampshire GU14 6XP
Origen Limited	Provision of Services to associated companies	1 <sup>st</sup> Floor Infor House 1 Lakeside Road Farnborough Hampshire GU14 6XP

There were no capital contributions made to the subsidiaries for the year ended 31 December 2018 (2017:£Nil).

### 5. Financial assets

	<b><u>2018</u></b>	<b><u>2017</u></b>
	<b>£'000</b>	<b>£'000</b>
Loan to subsidiary undertaking	<u>2,550</u>	<u>2,550</u>

The loan to subsidiary undertaking relates to an unsecured subordinated loan. The loan is non interest bearing.

**MOMENTUM GROUP LIMITED**

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

**6. Trade and other receivables**

	<u>2018</u> £'000	<u>2017</u> £'000
Amounts owed by subsidiary undertaking	<u>139</u>	<u>136</u>

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

**7. Financial liabilities**

	<u>2018</u> £'000	<u>2017</u> £'000
Bank overdrafts	-	883
<b>Current financial liabilities</b>	<u>-</u>	<u>883</u>
Loan from subsidiary undertaking	2,000	2,000
Loan from immediate parent undertaking	264	257
<b>Non-Current financial liabilities</b>	<u>2,264</u>	<u>2,257</u>
	<u>2,264</u>	<u>3,140</u>

The bank overdraft incurs interest at 1% over LIBOR, which under the right of a set off arrangement is borne by the subsidiary company Origen Financial Services Limited.

The bank overdraft of £883k was settled on 27 March 2018.

The loan from the subsidiary undertaking relates to an unsecured loan from Origen Financial Services Limited. The loan is non interest bearing and repayable on demand. The intention is to not recall this loan in the next reporting period.

The loan from the immediate parent undertaking relates to an unsecured drawdown loan facility. The facility existed up to a maximum capital value of £750k, of which £150k was drawn in 2004. Interest accrues at the rate of 1.5% above LIBOR on a daily basis, is aggregated with the capital amount every six months and is payable on repayment of the facility. The Company can voluntarily repay capital amounts in tranches of not less than £75k at any one time but has not made any payments to date. Although this loan is repayable on demand, the Directors and the immediate parent company have agreed there will be no repayment of the loan during 2019.

**8. Audit fees**

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

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

# MOMENTUM GROUP LIMITED

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

### 9. Share Capital

	<u>2018</u> £'000	<u>2017</u> £'000
<b>Authorised share capital</b>		
326,000 (2017: 326,000) Ordinary shares of £1 each	<u>326</u>	<u>326</u>
<b>Allotted, called up and fully paid</b>		
326,000 (2017: 326,000) Ordinary shares of £1 each	<u>326</u>	<u>326</u>

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

#### **Nature and purposes of other reserves**

The Capital Contribution Reserve is used to record capital contributions received from the immediate parent undertaking. During the year £884k (2017: £Nil) was received from the parent company Aegon UK plc.

### 10. 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 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 transaction with related parties**

Outstanding balances are unsecured, interest free (except the loan from the immediate parent undertaking) and where relevant, cash settlement is generally expected within 30 days of invoice. The terms of the loans from related parties are described in note 7. The Company has not provided or benefited from any guarantees for any related party receivables or payables. During the year ended 31 December 2018 the Company has not made any provision for doubtful debt relating to amounts owed by related parties (2017: £Nil).

Year end balances related to related party transactions are detailed in notes 5, 6 and 7.

#### **(d) Compensation of key management personnel (including Directors)**

Momentum Group Limited has no employees (2017: None). No key management personnel (including Directors) received any compensation in respect of services provided to the Company (2017: £Nil).