

**AEGON UK DIRECT LIMITED**

**REGISTRATION NUMBER 6861343**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2010**

**WEDNESDAY**



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## **AEGON UK DIRECT LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	Adrian T Grace, MBA Charles M Garthwaite, BSc, ACA Clare J Bousfield, BSc, FCA
<b>Secretary</b>	James K MacKenzie, LLB, Dip LP, NP
<b>Company Number</b>	6861343
<b>Registered Office</b>	6 Devonshire Square London EC2M 4YE
<b>Auditors</b>	Ernst & Young LLP Ten George Street Edinburgh EH2 2DZ

# **AEGON UK DIRECT LIMITED**

## **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010**

The Directors present their report and the audited financial statements for the year ended 31 December 2010

### **Structure of these accounts**

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union as they apply to the financial statements of the Company for the year ended 31 December 2010, and applied in accordance with the Companies Act 2006. As set out in the future developments section below, the intention is to wind down the AEGON UK Direct business and therefore these accounts are not prepared on a going concern basis

### **Principal and ongoing activity**

The principal activity of the Company was the provision of financial advice. Following the announcement to wind down the business this advice is not being offered to new customers, but some clients who commenced the advice process prior to the announcement are still receiving advice. The Company is incorporated and domiciled in England.

### **Results and dividends**

The results for the year are set out on page 8. The loss for the year, after taxation, is £683k (2009: £254k). The Directors do not propose a final dividend payment for the year ended 31 December 2010.

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

AEGON UK Group, of which this Company is a member, has undertaken a strategic review to re-focus the business in light of changes in the economic environment. On 8 September 2011, the Group announced the wind down of the AEGON UK Direct Limited business by 31 December 2011.

The Company has ceased to offer advice on annuity business through a whole of market offering for conventional annuities and a tied third party arrangement for enhanced and impaired annuities, however some clients who commenced the advice process prior to the announcement to wind down the business are still receiving advice.

Difficult trading conditions have resulted in the Company receiving capital injections in 2010, totalling £900k and further injections in the first quarter of 2011, totalling £800k. The Directors have requested and received a letter of support for the Company from AEGON UK plc, the group parent Company. The letter of support states that if necessary, AEGON UK plc will provide financial support to the Company for a period of at least 12 months from the date of approval of the Balance Sheet contained in these financial statements.

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## **AEGON UK DIRECT LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2010**

#### **Directors and their interests**

The Directors who held office at the date of this report are shown on page 1. The Directors have declared that they had no interest in the share capital of the Company in the year ended 31 December 2010.

Charles Garthwaite was appointed as Director on 9 July 2010. Clare Bousfield and Erik Lagendijk were appointed as Director on 9 November 2010. Patrick Gale, Iain Black, Otto Thoresen, Erik Lagendijk and Peter Dornan resigned as Directors on 25 March 2011. Adrian Grace was appointed as Director on 25 March 2011. David Elston resigned as Company Secretary on 24 September 2010. James MacKenzie was appointed as Company Secretary on 11 October 2010. All other Directors served throughout the year.

Each of the Directors has been granted a qualifying third party indemnity by the Company, in terms of the relevant sections of the Companies Act 2006.

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

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

- Market risk considers the impact of changes in distribution or consumer markets
- Reputational risk considers the impact of events such as failure to comply fully with regulatory requirements
- Operational risk considers the impact of failure to achieve planned results

The Company's objective in managing its capital is to ensure that there are adequate resources to meet the Company's external liabilities as they fall due, and that the Company meets external capital requirements set by the Financial Services Authority, and to allocate capital efficiently to support growth and repatriate excess capital where appropriate. The Company's capital is managed in conjunction with that of other Companies in the AEGON UK plc group. 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's capital position and the movement in this from the prior year are disclosed within the Statement of Changes in Equity. The Company met all external capital requirements during the year.

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

**AEGON UK DIRECT LIMITED**

**DIRECTORS' REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2010**

**Going concern**

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

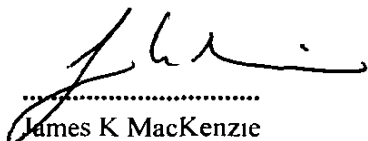
Due to the announcement, on 8 September 2011, to wind down and close this business by 31 December 2011, the Directors do not consider it appropriate to adopt a going concern basis in preparing the financial statements. As set out in note 1 to the financial statements, the 'break up' basis has been adopted.

The Company has a letter of support from the parent company, AEGON UK Plc, the group parent Company, to allow it to have adequate resources to meet its liabilities as they fall due until the Company is wound down

**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 that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the auditors are aware of that information

This report was approved by the Board on 26 September 2011 and signed on its behalf by



James K MacKenzie  
Company Secretary  
AEGON Lochside Crescent  
Edinburgh Park  
Edinburgh

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## AEGON UK DIRECT LIMITED

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

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under Company law the Directors must not approve the financial statements unless they are satisfied that they present fairly the state of the affairs of the Company and the net income of the Company for that period. In preparing these financial statements, the Directors are required to

- select suitable accounting policies in accordance with IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information,
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance,
- state that the Company has complied with IFRSs, 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.

## **AEGON UK DIRECT LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AEGON UK DIRECT LIMITED**

We have audited the financial statements of AEGON UK Direct Limited for the year ended 31 December 2010 which comprise the Income Statement, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement and the related notes 1 to 9. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union. The financial statements have been prepared on a break up basis.

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

#### **Respective responsibilities of Directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Financial Statements and the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**AEGON UK DIRECT LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF  
AEGON UK DIRECT LIMITED**

**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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

*Ernst & Young LLP*

George M Reid (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Edinburgh  
27 September 2011



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**AEGON UK DIRECT LIMITED****INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	Notes	<u>2010</u> <u>£000's</u>	<u>2009</u> <u>£000's</u>
<b>Revenue</b>			
Revenue from rendering of services		513	6
Cost of sales	2	<u>(1,159)</u>	<u>(223)</u>
<b>Gross loss</b>		<u>(646)</u>	<u>(217)</u>
Administrative expenses	3	<u>(303)</u>	<u>(136)</u>
<b>Loss before taxation</b>		<u>(949)</u>	<u>(353)</u>
Tax credit	4	<u>266</u>	<u>99</u>
<b>Loss for the year</b>		<u>(683)</u>	<u>(254)</u>

The loss for the year is attributable to the equity holders of the Company

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


**AEGON UK DIRECT LIMITED**

**BALANCE SHEET  
AS AT 31 DECEMBER 2010**

	<u>Notes</u>	<u>2010</u> <u>£000's</u>	<u>2009</u> <u>£000's</u>
<b>Current assets</b>			
Tax receivable		266	99
Trade and other receivables	5	14	4
Cash and short term deposits	6	327	502
<b>Total assets</b>		<u>607</u>	<u>605</u>
<b>Current liabilities</b>			
Trade and other payables	7	144	359
<b>Total liabilities</b>		<u>144</u>	<u>359</u>
<b>Net assets</b>		<u>463</u>	<u>246</u>
<b>Capital and reserves</b>			
Issued capital	8	50	50
Capital contribution	8	1,350	450
Retained earnings		(937)	(254)
<b>Total equity</b>		<u>463</u>	<u>246</u>

The financial statements were approved by the Board on 26 September 2011 and signed on its behalf by

  
Adrian Grace  
Director

  
Clare Bousfield  
Director

**AEGON UK DIRECT LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	<u>Issued capital</u> <u>£000's</u>	<u>Capital contribution</u> <u>£000's</u>	<u>Retained earnings</u> <u>£000's</u>	<u>Total</u> <u>£000's</u>
At 1 January 2010	50	450	(254)	246
Loss for the year	-	-	(683)	(683)
Capital contribution	-	900	-	900
<b>At 31 December 2010</b>	<b>50</b>	<b>1,350</b>	<b>(937)</b>	<b>463</b>

	<u>Issued capital</u> <u>£000's</u>	<u>Capital contribution</u> <u>£000's</u>	<u>Retained earnings</u> <u>£000's</u>	<u>Total</u> <u>£000's</u>
Issued Share Capital	50	-	-	50
Loss for the year	-	-	(254)	(254)
Capital contribution	-	450	-	450
<b>At 31 December 2009</b>	<b>50</b>	<b>450</b>	<b>(254)</b>	<b>246</b>

The Company did not recognise any income or expense directly in equity

**AEGON UK DIRECT LIMITED**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2010**

	<b>Note</b>	<b><u>2010</u></b> <b><u>£000's</u></b>	<b><u>2009</u></b> <b><u>£000's</u></b>
<b>Operating activities</b>			
Loss before tax		(949)	(353)
<i>Adjustment to reconcile loss before tax to net cash outflow from operating activities</i>			
(Increase) in trade and other receivables		(10)	(4)
(Decrease)/Increase in trade and other payables		(215)	359
Tax received, group relief		99	-
Net cash inflow from operating activities		<u>(1,075)</u>	<u>2</u>
<b>Financing activities</b>			
Capital contribution received	8	900	450
Issued Share Capital	8	-	50
Net cash inflow from financing activities		<u>900</u>	<u>500</u>
Net increase/(decrease) in cash and cash equivalents		(175)	502
Cash and cash equivalents at 1 January		<u>502</u>	<u>-</u>
<b>Cash and cash equivalents at 31 December</b>	<b>6</b>	<b><u>327</u></b>	<b><u>502</u></b>

The cash flow statement is prepared according to the indirect method

## **AEGON UK DIRECT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010**

#### **1. Accounting policies**

##### **1.1.1 Basis of preparation**

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union as they apply to the financial statements of the Company for the year ended 31 December 2010 and applied in accordance with the Companies Act 2006

Due to the announcement on 8 September 2011 to wind down the business by 31 December 2011, the Directors do not consider it appropriate to adopt a going concern basis in preparing the financial statements. The financial statements have been prepared on a break-up basis. Due to the nature of the company, the impact of adopting the 'break-up' basis is minimal and the financial statements continue to comply with the requirements of IFRS as adopted by the EU.

These financial statements were authorised for issue in accordance with a resolution of the Directors on 26 September 2011.

##### **1.1.2 Adoption of new IFRS accounting standards**

New standards become effective on the date specified by IFRS, but may allow companies to opt for an earlier adoption date. In 2010, the following new standards issued by the International Accounting Standards Board (IASB) and Interpretations issued by International Financial Reporting Interpretations Committee (formerly known as the IFRIC) became mandatory:

- IFRS 3 (revised) Business Combination,
- IAS 27 (revised) Consolidated and separate financial statements,
- Improvements to IFRS (2009),

None of the above resulted in any material change to the classification, measurement or presentation of any items in the Company's financial statements.

In addition, the following new standards, amendments to existing standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2010 but are not currently relevant for the Company:

- Amendments to IAS 39 Financial Instruments – Eligible hedged items
- IFRIC 17 Distributions of non-cash assets to owners,
- IFRIC 18 Transfer of assets from customers,
- IFRIC 1 (revised) First time adoption of IFRS – additional exemptions,
- Amendments to IFRS 2 Share based payments (group cash settled and share based payment transactions),
- Amendment to IAS 32 Classification of Rights Issues

## AEGON UK DIRECT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

#### 1.1.3 Future adoption of new IFRS accounting standards

The following standards, amendments to existing standards and interpretations, published prior to 1 January 2010, were not early adopted by the Company and will be applied in future years

- IFRS 9 Financial Instruments\*,
- Improvements to IFRS (2010),
- IAS 24 (Revised) Related Party Disclosures
- IFRIC 14 (amendment) prepayment of a minimum funding requirement,
- IFRIC 19 Extinguishing financial liabilities with equity instrument;
- IFRS 1 (amendment) First Time Adoption – Limited Exemption from Comparatives IFRS 7 Disclosure for First Time Adopters.

\* not yet endorsed by the European Union

None of the above are expected to have a significant impact on the Company

#### 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 balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates

#### 1.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding VAT. 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 activity which is the provision of financial advice to clients in the UK. Revenue comprises of fees and commission. Fees are recognised as revenue over the period in which related services are provided. Initial commission is recognised as revenue when the product is placed on risk. Recurring income arising from existing policies is recognised on receipt

## AEGON UK DIRECT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

#### *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 Taxes**

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

Current income tax assets and liabilities for the current year and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, or paid to or recovered from other group companies in respect of group relief surrendered or received. The tax rates and laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the Income Statement.

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

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

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

#### **1.5 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. Provision is made when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

#### **1.6 Cash and cash equivalents**

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

For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

# AEGON UK DIRECT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

### 2. Cost of sales

AEGON UK Direct Limited has no employees. It has a service contract with fellow AEGON UK plc group undertaking AEGON UK Services Limited, which supplies all its infrastructure and staff requirements. The recharge cost included in the Income Statement under cost of sales amounted to £596k (2009 £223k). All other expenses are direct expenses.

For terms and conditions relating to related party transactions, refer to note 9.

### 3. Administrative expenses

Administrative expenses include £303k (2009 £136k) relating to recharges to the Company by AEGON UK Services Limited, a fellow subsidiary of AEGON UK plc. For terms and conditions relating to related party transactions, refer to note 9.

Fees paid to Directors are disclosed in the accounts of AEGON UK plc.

The Company has not been subject to audit fees as this cost is borne by AEGON UK plc.

### 4. Taxation

#### (a) Current year tax credit

	<u>2010</u> <u>£000's</u>	<u>2009</u> <u>£000's</u>
<u>UK current tax</u>		
Corporation tax credit for the year	(266)	(99)
Total current tax credit	<u>(266)</u>	<u>(99)</u>

#### (b) Reconciliation of tax credit

	<u>2010</u> <u>£000's</u>	<u>2009</u> <u>£000's</u>
Accounting loss before tax	(949)	(353)
Accounting loss multiplied by the UK standard rate of corporation tax of 28%	(266)	(99)
Total tax credit reported in the income statement	<u>(266)</u>	<u>(99)</u>

The weighted average applicable tax rate is 28% (2009 28%).

### 5. Trade and other receivables

	<u>2010</u> <u>£000's</u>	<u>2009</u> <u>£000's</u>
Amounts due by fellow AEGON UK plc subsidiary undertakings	3	4
Other debtors	11	-
	<u>14</u>	<u>4</u>

For terms and conditions relating to related party transactions, refer to note 9.



**AEGON UK DIRECT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**6. Cash and short term deposits**

	<u>2010</u> <u>£000's</u>	<u>2009</u> <u>£000's</u>
Cash at bank	<u>327</u>	<u>502</u>

Cash at bank earns interest at floating rates based on daily bank deposit rates. The fair value of cash and short term deposits is £327k (2009 £502k)

**7. Trade and other payables**

	<u>2010</u> <u>£000's</u>	<u>2009</u> <u>£000's</u>
Amounts owed to fellow AEGON UK plc group undertakings	67	359
Other creditors	<u>77</u>	<u>-</u>
	<u>144</u>	<u>359</u>

For terms and conditions relating to related party transactions, refer to note 9

**8. Capital and reserves**

	<u>2010</u> <u>£000's</u>	<u>2009</u> <u>£000's</u>
<b>Authorised share capital</b>		
50,000 Ordinary shares of £1 each	<u>50</u>	<u>50</u>
<b>Allotted, called up and fully paid</b>		
50,000 Ordinary shares of £1 each	<u>50</u>	<u>50</u>

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

**Nature and purposes of other reserves**

***Capital Contribution Reserve***

The capital contribution reserve is used to record capital contributions received from the immediate parent undertaking, AEGON UK Distribution Holdings Limited

**AEGON UK DIRECT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

**9. Related party transactions**

**(a) Immediate parent undertaking**

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

**(b) Ultimate parent undertaking**

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

**(c) Year end balances and transactions with related parties**

Cost of sales and administrative expenses recharged to the Company by AEGON UK Services Limited are at cost and are detailed in notes 2 and 3.

Outstanding balances 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 2010 the Company has not made any provision for doubtful debt relating to amounts owed by related parties.

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

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

No key management personnel (including Directors) received any compensation in respect of services provided to the Company.