Company no 7551714

OM FINANCE (No.5) LIMITED

REPORT AND FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

OM FINANCE (No.5) LIMITED

FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2011

BOARD OF DIRECTORS

R Coxon	(appointed 4 March 2011)
M C Murray	(appointed 4 March 2011)
I A Pearce	(appointed 19 March 2012)

COMPANY SECRETARY

P Forsythe (appointed 4 March 2011)

REGISTERED OFFICE

5th Floor
Old Mutual Place
2 Lambeth Hill
London
EC4V 4GG

REGISTERED NUMBER

Registered in England & Wales
No 7551714

AUDITORS

KPMG Audit Plc
15 Canada Square
Canary Wharf
London
E14 5GL

OM FINANCE (No.5) LIMITED

REPORT OF THE DIRECTORS FOR THE PERIOD ENDED 31 DECEMBER 2011

The Directors present their report and the audited financial statements of OM Finance (No 5) Limited ("the Company") for the period 4 March 2011 to 31 December 2011

OM Finance (No 5) Limited was incorporated on 4 March 2011, hence there are no comparatives

PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The principal activity of the Company during the period was that of an investment holding company During the year the Company invested in a surplus note issued by Raven Reinsurance Company, a subsidiary of Fidelity and Guaranty Life (previously known as OM Financial Life Insurance Company) This investment was subsequently repaid

RESULTS FOR THE PERIOD

The results of the Company for the period are set out in the statement of comprehensive income on page 5 During the period dividends of $95,000,000 were paid

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the Company arise from the ability of its parent undertaking to repay its outstanding loans

KEY PERFORMANCE INDICATORS ("KPIs")

The Company's Directors are of the opinion that the KPIs for the Company are best represented by the results set out in the statement of comprehensive income of income on page 5 and statement of changes in equity on page 7

DIRECTORS

The Directors currently holding office are

R Coxon
M C Murray
I A Pearce

On 4 March 2011, both MC Murray and R Coxon were appointed to office On 19 March 2012, I A Pearce was appointed to office

EMPLOYEES

As a holding company, the Company had no employees during or at the end of the period The employment policies of the Old Mutual Group ("the Group") are disclosed in the Group's 2011 Annual Report

All Directors are employed by, and receive their emoluments from Old Mutual Business Services Limited, a fellow Group undertaking The Directors holding office during the period ended 31 December 2011 consider that their services to the Company are incidental to their other duties within the Old Mutual Group and accordingly no remuneration has been apportioned to this Company

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

In preparing these financial statements, each of the Directors in office at the date of approval confirms the following

- So far as each Director is aware, there is no relevant audit information of which the Company's auditors are individually unaware,
- Each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

BY ORDER OF THE BOARD

P Forsythe
Secretary
5 April 2012

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report 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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law

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 judgments and estimates that are reasonable and prudent,
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OM FINANCE (NO 5) LIMITED

We have audited the financial statements of OM Finance (No 5) Limited for the period ended 31 December 2011 set out on pages 5 to 11 The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU

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

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/private cfm

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 2011 and of its profit for the period then ended,
- have been properly prepared in accordance with IFRSs as adopted by the EU, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial period 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

Stuart Crisp (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor
Chartered Accountants
15 Canada Square
Canary Wharf
London E14 5GL

4 April 2012

OM FINANCE (No.5) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2011

	Notes	9 month period ended 31 December 2011 $
REVENUE		
Interest income		-
PROFIT BEFORE TAXATION	2	-
Taxation	3	-
PROFIT FOR THE PERIOD		-
OTHER COMPREHENSIVE INCOME		
TOTAL COMPREHENSIVE INCOME		-

All of the above amounts derive from continuing activities

OM FINANCE (No.5) LIMITED

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2011

	Notes	At 31 December 2011 $
ASSETS		
NON-CURRENT ASSETS		
Investments	4	-
CURRENT ASSETS		
Amounts due from parent undertaking	5	1
Total assets		**1**
EQUITY		
Share capital	6	1
Retained earnings		-
Total equity attributable to equity holders		**1**

The notes on pages 9 to 11 are an integral part of these financial statements

These financial statements were approved by the Board of Directors on 5 April 2012 and signed on its behalf by

M C Murray
Director

OM FINANCE (No.5) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2011

	Share Capital $	Retained Earnings $	Total Equity Attributable to equity holders $
Total comprehensive income for the period	-	-	-
Profit for the period	-	-	-
Transactions with owners, recorded directly in equity	1	-	1
Issued during the period	95,000,001	-	95,000,001
Reduction of Share Capital	(95,000,000)	95,000,000	-
Dividends paid during the period	-	(95,000,000)	(95,000,000)
BALANCE AT 31 DECEMBER 2011	1	-	1

OM FINANCE (No.5) LIMITED

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2011

	9 month period ended 31 December 2011 $
CASH FLOWS FROM OPERATING ACTIVITIES	
PROFIT BEFORE TAXATION	-
Changes in working capital	(1)
Non-cash movements in operating assets and liabilities	(1)
Net cash from operating expenses	(1)
INVESTING ACTIVITIES	
Investment in surplus note	95,000,000
Repayment of surplus note	(95,000,000)
Net cash used in investing activities	-
FINANCING ACTIVITIES	
Proceeds from the issue of ordinary share capital	95,000,001
Dividend paid to equity holders of the company	(95,000,000)
Net cash from financing activities	1
Net increase in cash and cash equivalents	-
Cash and cash equivalents at beginning of the period	-
Cash and cash equivalents at end of the period	-

1 ACCOUNTING POLICIES

Basis of preparation
The Company is a company incorporated and domiciled in the UK

The financial statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards (IFRSs) adopted for use in the EU They have also been prepared on a going concern basis in accordance with the Companies Act 2006 The principal accounting policies are set out below

Interest income
Interest income is recognised on an accruals basis using the effective interest method

Taxation
The taxation charge is based on the taxable result for the period The taxable result for the period is determined in accordance with the rules established by the taxation authorities for calculating the amount of corporation tax payable

Deferred taxes are calculated according to the balance sheet method, based on temporary differences between reported and tax values of assets and liabilities Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised Deferred tax liabilities are not discounted

Deferred tax assets are recognised for all temporary timing differences to the extent that it is probable that taxable profit will be available against which the deductible temporary timing difference can be utilised

Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity

Loans and advances
Loans to/from group companies are initially recorded at cost including transaction costs and are recognised on the date the funds are transferred Subsequently, loans are stated at amortised cost using the effective interest rate method less any deduction for possible impairment

Financial assets at amortised cost
The amount of the impairment of a financial asset held at amortised cost is the difference between the carrying amount and the recoverable amount, being the value of expected cash flows, including amounts recoverable from guarantees and collateral, discounted based on the effective interest rate at initial recognition In estimating expected cash flows the Company looks at the contractual cash flows of the assets and adjusts these contractual cash flows for historical loss experience of assets with similar credit risks, with this adjusted to reflect any additional conditions that are expected to arise or to account for those which no longer exist

The impairment provision also covers losses where there is objective evidence that losses are present in components of the loan portfolio at the reporting date, but these components have not yet been specifically identified When a loan is uncollectable, it is written-off against the related impairment provision

If the amount of impairment subsequently decreases due to an event occurring after the write-down, the release of the impairment provision is credited to profit or loss in the statement of comprehensive income Impairment reversals are limited to what the carrying amount would have been, had no impairment losses been recognised

Interest income on impaired loans and receivables is recognised on the impaired amount using the original effective interest rate before the impairment

1 ACCOUNTING POLICIES (continued)

Future standards, amendments to standards, and interpretations not early adopted in the 2011 financial statements
At the date of authorisation of these financial statements the following standards, amendments to standards, and interpretations, which are relevant to the Company, have been issued by the International Accounting Standards Board, although the EU has not yet endorsed them Unless otherwise stated, the Company is currently assessing the full impact of these standards

IFRS 13 'Fair Value Measurement' (effective 1 January 2013) is a new standard providing principles on the determination of fair value

Amendments to IAS 1 'Presentation of Items of Other Comprehensive Income' (effective 1 July 2012) require that an entity present separately the items of OCI that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss This amendment is not expected to have an impact on the Company financial statements

2 PROFIT BEFORE TAXATION

The administrative expenses of the Company, including audit fees of £3,605 are borne by Old Mutual Business Services Limited, another group company

3 TAXATION

	9 month period ended 31 December 2011 $
Recognised in the income statement	
Current tax expense	
Current period	-

4 INVESTMENTS

On 7 April 2011, the Company invested $95,000,000 in a surplus note issued by Raven Reinsurance Company, a subsidiary of Fidelity and Guaranty Life (previously known as OM Financial Life Insurance Company)

On 18 October 2011, the Company received repayment of the $95,000,000 surplus note issued by Raven Reinsurance Company

5 AMOUNTS DUE FROM PARENT UNDERTAKINGS

	2011 $
OM Group (UK) Limited	1
	1

All amounts due from parent undertakings are non-interest bearing and recallable on demand, unless otherwise stated

6 SHARE CAPITAL

	2011
AUTHORISED	
Ordinary shares of US$1 each	1
ISSUED AND FULLY PAID	
Ordinary shares of US$1 each	1

On incorporation, 4 March 2011, the Company issued 1 Ordinary share of US$1 to OM Group (UK) Limited for cash in the sum of $1

On 30 March 2011, the Company allotted 95,000,000 Ordinary shares of US$1 each to OM Group (UK) Limited for cash in the sum of $95,000,000

On 8 December 2011, the Company undertook a capital reduction of 95,000,000 ordinary shares of US$1 each This resulted in an increase of $95,000,000 to distributable reserves

7 CAPITAL MANAGEMENT

Total equity attributable to equity holders is managed as capital and there are no externally imposed capital requirements The primary objective for capital management is to ensure that the Company has sufficient capital to fulfil its purpose as an investment holding company for the Old Mutual Group

8 RELATED PARTY TRANSACTIONS

Details of balances and other transactions with related parties are detailed in note 5 and 6

Audit fees are borne by a fellow group undertaking, Old Mutual Business Services Limited, as disclosed in note 2

All Directors are employed by, and receive their emoluments from Old Mutual Business Services Limited, a fellow group undertaking The Directors holding office during the period ended 31 December 2011 consider that their services to the Company are incidental to their other duties within the Old Mutual Group and accordingly no remuneration has been apportioned to this Company

9 PARENT UNDERTAKINGS

ULTIMATE PARENT COMPANY
The ultimate parent company at 31 December 2011 was Old Mutual plc, a company incorporated in England & Wales A copy of its financial statements may be obtained from

The Company Secretary, Old Mutual plc, 5th Floor, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG

IMMEDIATE PARENT COMPANY
The immediate parent company at 31 December 2011 was OM Group (UK) Limited, a company incorporated in England & Wales Its financial statements are available from

The Company Secretary, OM Group (UK) Limited, 5th Floor, Old Mutual Place, 2 Lambeth Hill, London EC4V 4GG