

AEGON CENTRAL PROCUREMENT LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2011

COMPANY NUMBER SC232675

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AEGON CENTRAL PROCUREMENT LIMITED

COMPANY INFORMATION

Directors	Patrick D. Bartlett, MA, FCA Scott A. Birse, BA, ACMA Simon T. Lloyd, BSc (Hons), ACA
Company Number	SC232675
Secretary	James K. MacKenzie, LLB, DipLP, NP
Registered Office	AEGON House Edinburgh Park Edinburgh EH12 9XX
Auditors	Ernst & Young LLP Ten George Street Edinburgh EH2 2DZ

AEGON CENTRAL PROCUREMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

The Directors present their report and the audited financial statements for the year ended 31 December 2011.

Structure of these accounts

Aegon Central Procurement Limited's (the Company's) financial statements have been prepared 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 2011 and applied in accordance with the Companies Act 2006.

Principal and ongoing activity

The principal activity of the Company is the provision of procurement and administrative services to AEGON N.V. group companies. The company is incorporated and domiciled in Scotland.

Results and dividends

The results for the period are set out on page 7.

The Directors recommend that no dividend is paid (2010: nil).

Given the nature of the business, the directors do not consider the inclusion of financial key performance indicators to be necessary in order to understand the performance of the business.

Review of business and future developments

The Company intends to continue to provide administrative services to AEGON N.V. group companies with the objective of achieving cost savings through global procurement. Turnover in 2011 was Euro 37m (2010: Euro 38m), a 3% decrease compared to 2010, with most savings in Scottish Equitable plc.

The activities of this company will remain under review as the AEGON N.V. Group looks to ensure procurement is performed in the most cost efficient manner.

Directors and their interests

The current Directors of the Company are shown on page 1. The following appointments/resignations occurred throughout the year:

Name of Director	Date of Appointment	Date of Resignation
Lawrence Connelly (Director)	-	19 April 2011.
Geraint Adrian Evans (Director)	-	19 April 2011.
Scott Alexander Birse (Director)	19 April 2011.	-
Simon Trevor Lloyd (Director)	19 April 2011.	-

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 sections of the Companies Act 2006.

The current Company Secretary is shown on page 1. The following appointment/resignations occurred throughout the year:

Name	Date of Appointment	Date of Resignation
James Kenneth MacKenzie (Company Secretary)	19 April 2011.	-

AEGON CENTRAL PROCUREMENT LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2011

Corporate governance, capital management and financial instruments

The AEGON UK Group has established a governance framework for monitoring and overseeing strategy, conduct of business standards and operations 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 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's capital is managed in conjunction with that of other Companies in the AEGON UK plc group. 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 assets are primarily cash and short term deposits, which are placed with high credit-rated banks, and intercompany receivables from other AEGON N.V. group companies. Economic foreign exchange risk is limited as purchases in foreign currencies are matched by sales in foreign currencies.

Going concern

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

After making enquiries, which include considering the liquidity of the Company's assets, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (being 12 months from the date of this report). Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

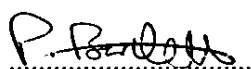
Auditors

A resolution is to be prepared at the Annual General Meeting for the re-appointment of Ernst & Young LLP as auditors of the Company.

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 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 2012 and signed on its behalf by



Patrick D. Bartlett
Director
AEGON Lochside Crescent
Edinburgh

AEGON CENTRAL PROCUREMENT LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 the law the directors have elected to prepare those 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 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; 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 to 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 CENTRAL PROCUREMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEGON CENTRAL PROCUREMENT LIMITED

We have audited the financial statements of AEGON Central Procurement Limited for the year ended 31 December 2011 which comprise the Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and the related notes 1 to 8. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report and Financial Statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- ▶ give a true and fair view of the state of the Company's affairs as at 31 December 2011 and of its result for the year then ended;
- ▶ have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- ▶ have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

AEGON CENTRAL PROCUREMENT LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AEGON CENTRAL PROCUREMENT LIMITED (CONTINUED)

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 2012

AEGON CENTRAL PROCUREMENT LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2011

	Notes	<u>2011</u> <u>€000's</u>	<u>2010</u> <u>€000's</u>
Revenue			
Revenue from rendering of services	2	37,073	38,253
Expenses			
Cost of sales	3	<u>(37,073)</u>	<u>(38,253)</u>
Result for the year		<u>-</u>	<u>-</u>

The result for the year is attributable to the equity holders of the Company.

The result for the year relates wholly to continuing activities.

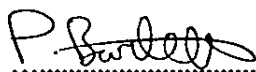
The result for the year is consistent with Total Comprehensive Income and there were no other items of comprehensive income not already reflected within the result for the year.

AEGON CENTRAL PROCUREMENT LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2011

	<u>Notes</u>	<u>2011</u> <u>€000's</u>	<u>2010</u> <u>€000's</u>
Current assets			
Trade and other receivables	4	7,242	6,575
Cash and short term deposits	5	<u>750</u>	<u>1,496</u>
		7,992	8,071
Current liabilities			
Trade and other payables	6	(7,992)	(8,071)
Net assets		<u>-</u>	<u>-</u>
Capital and reserves			
Issued capital	7	-	-
Retained earnings		<u>-</u>	<u>-</u>
Total equity		<u>-</u>	<u>-</u>

The financial statements were approved by the Board on 26 September 2012 and signed on its behalf by



Patrick D. Bartlett
Director
AEGON Lochside Crescent
Edinburgh Park
Edinburgh

AEGON CENTRAL PROCUREMENT LIMITED

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

	<u>Issued capital</u>	<u>Retained earnings</u>	<u>Total</u>
	<u>€'s</u>	<u>€'s</u>	<u>€'s</u>
At 1 January 2011	45	-	45
Issue of shares	-	-	-
At 31 December 2011	45	-	45

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

	<u>Issued capital</u>	<u>Retained earnings</u>	<u>Total</u>
	<u>€'s</u>	<u>€'s</u>	<u>€'s</u>
At 1 January 2010	45	-	45
Issue of shares	-	-	-
At 31 December 2010	45	-	45

The Company did not recognise any income or expense directly in equity (2010 – nil)

AEGON CENTRAL PROCUREMENT LIMITED

CASH FLOW STATEMENT FOR YEAR ENDED 31 DECEMBER 2011

	Note	<u>2011</u> <u>€000's</u>	<u>2010</u> <u>€000's</u>
Operating activities			
Profit before tax		-	-
<i>Adjustment to reconcile profit before tax to net cash flow from operating activities:</i>			
(Increase) in trade and other receivables		(667)	(66)
(Decrease)/Increase in trade and other payables		(79)	404
Net cash flow from operating activities		<u>(746)</u>	<u>338</u>
Net (decrease)/increase in cash and cash equivalents		(746)	338
Cash and cash equivalents at 1 January		<u>1,496</u>	<u>1,158</u>
Cash and cash equivalents at 31 December	5	<u>750</u>	<u>1,496</u>

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

AEGON CENTRAL PROCUREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

1. Accounting Policies

1.1. Basis of preparation

1.1.1. Introduction

The financial statements have been prepared on a going concern basis and 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 2011 and applied in accordance with the Companies Act 2006.

The financial statements of Aegon Central Procurement Limited for the year ended 31 December 2011 were authorised for issue, in accordance with a resolution of the directors, on 26 September 2012.

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 2011, the following new standards issued by the IASB and Interpretations issued by the IFRS Interpretations Committee (formerly known as the IFRIC) became mandatory:

Improvements to IFRS (May 2010). The IASB issued, in May 2010, a number of minor amendments to 7 different standards and interpretations. These amendments, which are effective from January 1, 2011, deal with minor changes to the wordings used in the individual standards and seek to remove editorial and other inconsistencies in the literature. The Company adopted all the relevant changes from the improvements project to its accounting policies. The improvements project did not result in any changes to the classification, measurement or presentation of any items in the financial statements.

In addition, the following new standards, amendments to existing standards and interpretations are mandatory for the first time for the financial year beginning January 1, 2011 but are not currently relevant for the Company:

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 Comparative IFRS 7 Disclosures for First Time Adopters*;

IFRS 1 (amendment) *First Time Adoption – Severe Hyperinflation and Removal of Fixed Dates for First Time Adopters*

Amendment to IAS 32 *Classification of Rights Issues*.

1.1.3. Future adoption of new IFRS accounting standards

The following standards, amendments to existing standards and interpretations, published prior to January 1, 2012, were not early adopted by the Company and will be applied in future years:

- IFRS 7 *Financial Instruments: disclosures – Enhanced Derecognition Disclosure Requirements* ; *
- IFRS 9 *Financial Instruments* ; *
- IFRS 13 *Fair Value Measurement*; *
- IAS 1 *Financial Statement Presentation – Presentation of Items of Other Comprehensive Income*: * and
- Improvements to IFRS (2010). *

* not yet endorsed by the European Union

AEGON CENTRAL PROCUREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

IFRS 7 Financial Instruments: Disclosures – Enhanced Derecognition Disclosure Requirements. The amendments to IFRS 7 are effective for annual periods beginning on or after July 1, 2011 and will improve the understanding of transfer transactions of financial assets including understanding the possible effects of any risks that may remain with the entity that transferred the assets. The amendments also require additional disclosures if a disproportionate amount of transfer transactions are undertaken around the end of a reporting period. The Company expects the impact on its current disclosures on financial instruments to be considerable.

IFRS 9 Financial Instruments. IFRS 9 Financial Instruments addresses classification and measurement of financial assets, is available for early adoption immediately but mandatory only for accounting periods beginning on or after January 1, 2013. IFRS 9 replaces the multiple classification and measurement models in IAS 39 with a single model that has only two classification categories: amortized cost and fair value. IFRS 9 represents the first stage in the IASB's planned replacement of IAS 39. IFRS 9 is expected to have a significant impact on the Company's financial statements because it will likely result in a reclassification and re-measurement of the Company's financial assets. However the full impact of IFRS 9 will only be clear after the remaining stages of the IASB's project on IFRS 9 are completed and issued.

IFRS 13 Fair Value Measurement. The standard applies to financial years beginning on or after January 1, 2013, and provides a definition of fair value and a single source of fair value measurement, and disclosure requirements for use across IFRSs. The Company is currently assessing the impact of this standard.

IAS 1 Financial Statement Presentation – Presentation of Items of Other Comprehensive Income. The amendments apply to financial years beginning on or after July 1, 2012. The amendments require the grouping together of items within other comprehensive income that may be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in other comprehensive income and profit or loss should be presented as either a single statement or two consecutive statements. The Company is currently assessing the impact of this standard.

Improvements to IFRS (2011). This set of improvements to IFRS issued by the IASB in June 2011, which applies to financial years beginning on or after January 1, 2013, makes a number of minor amendments to 5 different standards and interpretations. The Company is currently assessing the impact of the improvements. None of these amendments are expected to have a material change to the classification, measurement or presentation of any items in the Company's financial statements.

In addition to the above, the following standards, amendments to standards and interpretations have been published and are mandatory for accounting periods beginning on or after January 1, 2012 or later periods but are not relevant for the Company's operations:

- IFRS 1 (amendment) *First Time Adoption – Severe Hyperinflation and removal of Fixed Dates for First Time Adopters*; *
- IFRS 10 *Consolidated Financial Statements*; *
- IFRS 11 *Joint Arrangements*; *
- IFRS 12 *Disclosure of Interest in Other Entities*; *
- IAS 12 *Income Taxes – Recovery of Tax Assets*; *
- IAS 19 *Employee Benefits*; *
- IAS 27 *Separate Financial Statements*; * and
- IAS 28 *Investments in Associates and Joint Ventures*; *

* not yet endorsed by the European Union

AEGON CENTRAL PROCUREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

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. Foreign currencies

The accounts have been prepared in Euros, the functional currency of the company, as represented by the primary economic environment in which the Company operates and generates net cash flows.

1.4. Revenue recognition

Revenue is recognised to the extent that 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.

1.5. Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at the lower of their original invoices 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 in the balance sheet comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less.

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

1.7. Foreign currency translation

Transactions in foreign currencies are recorded in the functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

AEGON CENTRAL PROCUREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

2 Revenue from rendering of services

	<u>2011</u> <u>€000's</u>	<u>2010</u> <u>€000's</u>
Sales	<u>37,073</u>	<u>38,253</u>

Revenue represents charges receivable from other AEGON N.V. group companies in respect of the provision of administrative services by the Company.

For terms and conditions relating to related party transactions, refer to note 8.

3 Cost of sales

	<u>2011</u> <u>€000's</u>	<u>2010</u> <u>€000's</u>
Administrative expenses	<u>37,073</u>	<u>38,253</u>

Administrative expenses primarily represents amounts invoiced to the Company by third party suppliers, and is stated net of value added tax.

AEGON UK Corporate Services Limited provide management services to the Company. These are charged to the Company and recharged out to the group companies benefiting from the Company's activities. The amount charged to the Company in respect of such managerial services was €92,430 (2010: €68,966). For terms and conditions relating to related party transactions, refer to note 8.

No directors' fees are paid by the Company. The audit fees have been borne by Scottish Equitable plc, a fellow subsidiary of the Ultimate Parent Company.

4 Trade and other receivables

	<u>2011</u> <u>€000's</u>	<u>2010</u> <u>€000's</u>
VAT recoverable	672	529
Amounts owed by fellow AEGON N.V. subsidiary undertakings	<u>6,570</u>	<u>6,046</u>
	<u>7,242</u>	<u>6,575</u>

For terms and conditions relating to related party transactions, refer to note 8.

AEGON CENTRAL PROCUREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

5 Cash and short term deposits

	<u>2011</u> <u>€000's</u>	<u>2010</u> <u>€000's</u>
Cash at banks	<u>750</u>	<u>1,496</u>

Cash at banks earns interest at floating rates based on daily bank deposit rates. The fair value of cash and short term deposits is €750,000 (2010: €1,496,000).

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

6 Trade and other payables

	<u>2011</u> <u>€000's</u>	<u>2010</u> <u>€000's</u>
Payables to AEGON N.V. subsidiary undertakings	723	262
Trade creditors	7,264	7,805
Accruals	5	4
	<u>7,992</u>	<u>8,071</u>

Terms and conditions of the above financial liabilities:

For terms and conditions relating to related parties, refer to note 8.

Other payables are non-interest bearing and are normally settled in 90 days.

7 Capital and reserves

	<u>2011</u> <u>€'s</u>	<u>2010</u> <u>€'s</u>
Authorised share capital		
100,000 Ordinary shares of £1 each	<u>119,717</u>	<u>116,171</u>
Allotted, not paid capital		
38 Ordinary shares of £1 each (2010: 40)	<u>45</u>	<u>45</u>

In 2011, AEGON N.V. group divested Transamerica International Reinsurance Ireland Limited and transferred one £1 ordinary share to AEGON N.V. AEGON Seguros de Vida merged with AEGON Espana, S.A.U. de Seguros y Reaseguros, AEGON Espana was the surviving company and the one £1 ordinary share held by AEGON Seguros de Vida was transferred to AEGON Espana. AEGON Seguros SA transferred their shareholding of one £1 ordinary shares to unallocated. No additional ordinary shares of were issued to AEGON N.V. group companies.

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

AEGON CENTRAL PROCUREMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

The shares are owned by the following AEGON N.V. companies; AEGON N.V., OOM Holding BV, MEEUS Group BV, AEGON UK plc, AEGON Ireland plc (previously named 'Scottish Equitable International (Dublin) plc'), AEGON Nederland N.V., AEGON Bank N.V., TKP Investments BV, AEGON Administracion y Servicios Aie, AEGON Towarzystwo Ubezpieczen na Zycie SA, AEGON Pojistovna AS, AEGON Capital Management Inc, AEGON Direct & Affinity Marketing Services Australia, AEGON Direct Marketing Services Europe Ltd, AEGON Magyarország Befektetési Alapkezelő RT, AEGON Magyarország Általános RT, AEGON Magyarország Pénztárszolgáltató, AEGON Direct & Affinity Marketing Services Limited, AEGON d.s.s.a.s, AEGON España SAU de Seguros y Reasegurador, AEGON Funding Corp, AEGON USA Inc, AEGON Zivotna Poistovna as, Nedasco BV, Transamerica Life Insurance Company, World Finance Group Inc, AEGON Direct Marketing Services Inc, AEGON Institutional Markets Division, AEGON Ireland Services Ltd, AEGON Levensverzekering N.V., AEGON Van Nierop, Aerial Assurances, La Mondiale Participations, Transamerica Life International (Bermuda) Ltd.

8 Related party transactions

(a) Ultimate parent undertaking

The ultimate parent company is AEGON N.V., which is incorporated in the Netherlands. The group accounts of AEGON N.V. are available from the Company Secretary, AEGON Lochside Crescent, Edinburgh Park, Edinburgh, EH12 9SE.

(b) Year end balances and transactions with related parties

Sales to related parties are made at cost (see note 2 for total amount of such transactions). Administrative expenses are recharged to the company at cost by AEGON UK Corporate Services Limited, a fellow AEGON N.V. subsidiary (see note 3 for total amount of such transactions).

Outstanding balances are 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 2011 the Company has not made any provision for doubtful debt relating to amounts owed by related parties (2010: nil).

Year end balances related to related party transactions are detailed in notes 4 and 6.

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

No key management personnel (including directors) received any compensation in respect of services provided to the company (2010: £nil).