

Registered Number 157136

**GUARDIAN EASTERN INSURANCE COMPANY LIMITED**

**Financial Statements**

**for the year ended 31 December 2006**



Registered Office 5 Old Broad Street, London EC2N 1AD

**GUARDIAN EASTERN INSURANCE COMPANY LIMITED**

**BALANCE SHEET**  
**as at 31 December 2006**

	<b>2006</b> <b>£'000</b>	<b>2005</b> <b>£'000</b>
<b>Current assets</b>		
<b>Debtors</b>		
Amount due from immediate parent company	<u>1,228</u>	<u>1,228</u>
<b>Capital and reserves</b>		
Called up share capital (note 3)	900	900
Capital contribution reserve	300	300
Profit and loss account	<u>28</u>	<u>28</u>
<b>Equity shareholders' funds</b>	<u>1,228</u>	<u>1,228</u>

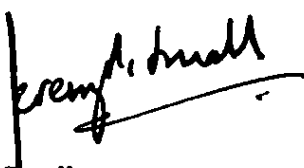
The financial statements on pages 2 to 4 were approved by the directors and signed on 30th August 2007

For the year ended 31 December 2006 the Company was entitled to the exemption under section 249AA(1) of the Companies Act 1985

Members have not required the Company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985

The directors acknowledge their responsibility for

- (i) ensuring the Company keeps accounting records which comply with section 221, and
- (ii) preparing financial statements which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit or loss for the financial year, in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company

  
**J. P. Small**  
Director

# GUARDIAN EASTERN INSURANCE COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICY

The principal accounting policy is set out below

#### Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards

FRS 20 (Share-based payment) has been adopted, effective from 1 January 2006. The adoption of this standard represents a change in accounting policy, however, there is no impact on the financial statements.

The Company has not adopted FRS 26 (Financial Instruments Measurement). The Company is exempt from this standard as it does not hold assets at fair value. Consequently the Company is not required to adopt FRS 23 (The effects of changes in foreign exchange rates), FRS 24 (Financial Reporting in hyperinflationary economies), and FRS 25 (Financial Instruments disclosure and presentation).

### 2. TRANSFER OF BUSINESS

The Company's insurance business was transferred to AXA Insurance UK plc on 30 November 2003 pursuant to a Court order issued under Part VII of the Financial Services and Markets Act 2000 dated 21 November 2003 with the exception of the agency business in Israel.

On 23 December 2003, the Company entered into an agreement under which the assets and liabilities of the Company were transferred to AXA Insurance plc with effect from 1 December 2003. In consideration for the transfer of the Company's assets, AXA Insurance plc assumed all liabilities in existence at that date and gave an irrevocable undertaking to indemnify the Company against any future liabilities. The practical effect of the agreement is that beneficial ownership of all the Company's assets and liabilities passed to AXA Insurance plc on 1 December 2003 with the exception of assets retained in order to maintain the Company's share capital and undistributed reserves.

### 3. SHARE CAPITAL

	2006		2005	
	Authorised £'000	Paid-up £'000	Authorised £'000	Paid-up £'000
<b>Authorised:</b>				
1,000,000 ordinary shares of £1 each	<u>1,000</u>		<u>1,000</u>	
<b>Issued:</b>				
900,000 ordinary shares of £1 each		<u>900</u>		<u>900</u>

# **GUARDIAN EASTERN INSURANCE COMPANY LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)**

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### **4. DIRECTORS' EMOLUMENTS**

The directors are employed and paid by companies in the AXA group and their directorships are held as part of that employment. No director has received any emoluments or other benefits from the Company or from any other company in the AXA group in respect of services to the Company.

GRE Nominee Shareholdings Limited is a company within the AXA group.

### **5. CASH FLOW STATEMENT**

Under Financial Reporting Standard 1 (Cash flow statements (revised 1996)), the Company is exempt from the requirement to prepare a cash flow statement on the grounds that it is a subsidiary undertaking of a parent undertaking which produces a consolidated cash flow statement. The cash flow of the Company is consolidated in the AXA group financial statements, which can be obtained from 23, avenue Matignon, 75008 Paris, France.

### **6. RELATED PARTIES**

As the Company is a wholly-owned subsidiary it has taken advantage of the exemption granted under Financial Reporting Standard 8 (Related Party Disclosures) where subsidiary undertakings do not have to disclose transactions with group companies qualifying as related parties provided that consolidated financial statements are publicly available.

### **7. ULTIMATE PARENT**

In the opinion of the directors, the Company's ultimate parent and controlling company is AXA, a company incorporated in France. The parent undertaking of the largest group which includes the Company and for which group financial statements are prepared is AXA. Copies of the AXA group financial statements can be obtained from 23, avenue Matignon, 75008 Paris, France.

The parent undertaking of the smallest group which includes the Company and for which group financial statements are prepared is Guardian Royal Exchange plc, a company registered in England. Copies of the Guardian Royal Exchange group financial statements can be obtained from 5 Old Broad Street, London EC2N 1AD.