

Company Registration No. 02403909 (England and Wales)

**LAYTON BLACKHAM GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2007**

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# Layton Blackham Group Limited

## COMPANY INFORMATION

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<b>Directors</b>	D T Hopwood	
	I G Story	(Appointed 25 January 2008)
	S C Reid	(Appointed 25 January 2008)
<b>Secretary</b>	V E Thanangadan	
<b>Company number</b>	02403909	
<b>Registered office</b>	Weston House 246 High Holborn London WC1V 7EX	
<b>Auditors</b>	PricewaterhouseCoopers LLP Hay's Galleria 1 Hay's Lane London SE1 2RD	
<b>Business address</b>	Weston House 246 High Holborn London WC1V 7EX	
<b>Bankers</b>	Barclays Bank Plc 50 Pall Mall London SW1A 1QF	

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# Layton Blackham Group Limited

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# **Layton Blackham Group Limited**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2007**

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The directors present their report and financial statements for the year ended 31 December 2007

### **Principal activities and review of the business**

The ultimate holding company of the group (Layton Blackham Holdings Ltd) was taken over by Venture Preference Ltd (a wholly owned subsidiary of Axa Advisory Holdings Limited) in January 2007. The principal activity of the company continues to be that of a holding company.

The results for the year and the financial position at the year end were considered satisfactory by the directors.

Since the company performs the function of a holding company without trading income in its own right, the use of KPIs to measure performance is not deemed appropriate in this instance.

### **Results and dividends**

The results for the year are set out on page 5.

The directors do not recommend a payment of an ordinary dividend.

### **Directors**

The following directors have held office since 1 January 2007:

D T Hopwood	
C L Blackham	(Resigned 25 January 2008)
G C Bradford	(Resigned 30 June 2008)
C Whitfield	(Resigned 31 December 2007)
D E Bobby	(Resigned 31 December 2007)
I G Story	(Appointed 25 January 2008)
S C Reid	(Appointed 25 January 2008)

The Board expresses their thanks to the departing directors for their effort and hard work in bringing the company to this point and welcomes the new directors whose contribution will safeguard the future and continued success of the company.

### **Auditors**

PricewaterhouseCoopers LLP were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

# Layton Blackham Group Limited

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

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### Directors' responsibilities

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which 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 those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards 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 confirm that they have complied with the above requirements in preparing the financial statements

The directors are responsible for keeping proper accounting records which 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 1985. 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

### Statement of disclosure to auditors

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information

By order of the board



V E Thanangadan  
Secretary

Date

31/7/08

# **Layton Blackham Group Limited**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF Layton Blackham Group Limited**

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We have audited the financial statements of Layton Blackham Group Limited for the year ended 31 December 2007 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, and related Notes to the financial statements 1 to 18. These financial statements have been prepared under the accounting policies set out therein. The financial statements of the Company as of 31 December 2006, were audited by another auditor whose report dated 30 July 2007, expressed an unqualified opinion on those statements.

#### **Respective responsibilities of the directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland). This report, including the opinion, has been prepared for and only for the company's members as a body in accordance with Section 235 of the Companies Act 1985 and for no other purpose. We do not, in giving this opinion, 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.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all of the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

# Layton Blackham Group Limited

## INDEPENDENT AUDITORS' REPORT (CONTINUED) TO THE SHAREHOLDERS OF Layton Blackham Group Limited

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### Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' Report is consistent with the financial statements

PricewaterhouseCoopers LLP

**PricewaterhouseCoopers LLP**

Chartered Accountants and Registered Auditors  
London

Date 18 August 2008

# Layton Blackham Group Limited

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
Administrative expenses		(143,013)	(182,551)
<b>Operating loss</b>	<b>2</b>	<b>(143,013)</b>	<b>(182,551)</b>
Interest payable and similar charges	<b>3</b>	(32,780)	(18,422)
<b>Profit/(loss) on ordinary activities before exceptional items</b>		<b>(175,793)</b>	<b>(200,973)</b>
Exceptional items	<b>4</b>	564,552	(4,062,009)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>388,759</b>	<b>(4,262,982)</b>
Tax on profit/(loss) on ordinary activities	<b>5</b>	76,500	-
<b>Profit/(loss) after taxation for the year</b>	<b>13</b>	<b>465,259</b>	<b>(4,262,982)</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations

# LAYTON BLACKHAM GROUP LIMITED

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2007

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	Notes	2007 £	2006 £
Profit/(loss) for the financial year		465,259	(4,262,982)
Actuarial gains on pension scheme deficit	11	627,000	152,000
Deferred tax movement in relation to pension scheme deficit	11	(250,000)	(93,000)
		<hr/>	<hr/>
<b>Total gains and losses recognised since last financial statements</b>		<b>842,259</b>	<b>(4,203,982)</b>

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# Layton Blackham Group Limited


## BALANCE SHEET AS AT 31 DECEMBER 2007

	Notes	£	2007 £	£	2006 £
<b>Fixed assets</b>					
Investments	7		-		126,123
<b>Current assets</b>					
Debtors	8	478,381		425,230	
Cash at bank and in hand		2,970		1,382	
		<u>481,351</u>		<u>426,612</u>	
<b>Creditors' amounts falling due within one year</b>	9	<u>(9,294,903)</u>		<u>(9,064,655)</u>	
<b>Net current liabilities</b>			<u>(8,813,552)</u>		<u>(8,638,043)</u>
<b>Total assets less current liabilities</b>			<u>(8,813,552)</u>		<u>(8,511,920)</u>
<b>Creditors' amounts falling due after more than one year</b>	10		<u>(308,638)</u>		<u>(870,529)</u>
			<u>(9,122,190)</u>		<u>(9,382,449)</u>
<b>Pension scheme liability</b>	11		<u>(5,000)</u>		<u>(587,000)</u>
			<u>(9,127,190)</u>		<u>(9,969,449)</u>
<b>Capital and reserves</b>					
Called up share capital	12		1,000		1,000
Pension scheme reserve	13		(5,000)		(587,000)
Profit and loss account	13		<u>(9,123,190)</u>		<u>(9,383,449)</u>
<b>Shareholders' funds</b>	14		<u>(9,127,190)</u>		<u>(9,969,449)</u>

Approved by the board and authorised for issue on

31/7/08

  
I G Story  
Director

  
D T Hopwood  
Director

# Layton Blackham Group Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group financial statements as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Axa SA, a company incorporated in France, and is included in the consolidated financial statements of that company.

The accounts have been prepared on a going concern basis due to the continuing financial support from its parent company.

Under FRS 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.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently.

#### 1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life. In accordance with Financial Reporting Standard number 11, where there is an indication of impairment, a full impairment review is conducted. Any reduction of recoverable amount below the carrying value is written off through the profit and loss account.

#### 1.4 Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### 1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

#### 1.6 Pensions

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the profit and loss account and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

The company operates a defined benefit scheme which is closed to new members.

#### 1.7 Deferred taxation

Provision is made for deferred tax liabilities, using the liability method, on all material timing differences, including revaluation gains and losses on investments recognised in the profit and loss account. Deferred tax is calculated at current tax rates. Deferred tax is recognised in the profit and loss account for the period, except to the extent that it is attributable to a gain or loss that is recognised directly in the statement of total recognised gains and losses. Deferred tax balances are not discounted.

# Layton Blackham Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

2	Operating loss	2007 £	2006 £
	Operating loss is stated after charging		
	Amortisation of intangible assets	126,123	53,000
	Fees payable to the company's auditor for the audit of the company's annual accounts	3,431	3,319

3	Interest payable	2007 £	2006 £
	Defined benefit pension scheme finance cost	18,000	7,000
	Other interest	14,780	11,422
		32,780	18,422

### 4 Exceptional items

The release of £564,882 (2006 £682,552 charge), which is considered exceptional by virtue of its size, relates to a writeback of an overprovision of a potential payment upon sale to AXA

Additionally, in the prior year, an exceptional provision had been made against the Fixed asset investment in Cox Hepburn Holdings Limited and Silbury Holdings Limited of £1,801,290 and £1,244,630 and against intercompany debt of these companies of £12,051 and £321,486 respectively

# Layton Blackham Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

5	Taxation	2007	2006
		£	£
	<b>Domestic current year tax</b>		
	U K corporation tax	(76,500)	-
	<b>Current tax charge</b>	<u>(76,500)</u>	<u>-</u>
	<b>Factors affecting the tax charge for the year</b>		
	Profit/(loss) on ordinary activities before taxation	<u>388,759</u>	<u>(4,262,982)</u>
	Profit/(loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2006: 30.00%)	<u>116,628</u>	<u>(1,278,895)</u>
	<b>Effects of</b>		
	Non deductible expenses	(193,128)	1,272,681
	Tax losses utilised	-	99,407
	Adjustments to previous periods	-	67,136
	Other tax adjustments	-	(160,329)
		<u>(193,128)</u>	<u>1,278,895</u>
	<b>Current tax charge</b>	<u>(76,500)</u>	<u>-</u>
6	Intangible fixed assets	Goodwill	
		£	
	<b>Cost</b>		
	At 1 January 2007 & at 31 December 2007		<u>663,443</u>
	<b>Amortisation</b>		
	At 1 January 2007 & at 31 December 2007		<u>663,443</u>
	<b>Net book value</b>		
	At 31 December 2007		<u>-</u>
	At 31 December 2006		<u>-</u>

# Layton Blackham Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 7 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 January 2007 & at 31 December 2007	3,490,950
<b>Provisions for diminution in value</b>	
At 1 January 2007	3,364,827
Charge for the year	126,123
At 31 December 2007	3,490,950
<b>Net book value</b>	
At 31 December 2007	-
At 31 December 2006	126,123

### Holdings of more than 20%

The company holds more than 20% of the ordinary share capital of the following companies, registered in England and Wales

Company		Shares held %	Capital and reserves 2007 £	Profit for the year 2007 £
<b>Subsidiary undertakings</b>	<b>Principal activity</b>			
Ford Loft Financial Services Limited	Dormant	100 00	1,000	-
Silbury Holdings Limited	Dormant	100 00	(821,978)	-
Cox Hepburn Holdings Limited	Dormant	100 00	(298,819)	-
Frederick Anker Limited	Dormant	100 00	35,999	-
Cox Hepburn (Insurance Services) Limited	Dormant	100.00	286,768	-
Ford Loft & Co (Insurance Brokers) Limited	Dormant	100 00	34,555	-
Ford Loft Group Limited	Dormant	100 00	22,254	-
Ford Loft Holdings Limited	Dormant	100 00	25,000	-
Anchor (UK) Limited	Dormant	100 00	518,903	-
Severn Valley Insurance Services (Newtown) Limited	Dormant	100 00	(235)	-
Severn Valley Insurance Group Limited	Dormant	100 00	32,335	-
Severn Valley Insurance Brokers Limited	Dormant	100 00	152,573	-
Spa Brokers Limited	Dormant	100 00	(235)	-
Kay Hockman & Patt Limited	Dormant	100 00	281,650	-
K H P Limited	Dormant	100 00	100	-
Three Star Financial Services Limited	Dormant	100 00	(29,056)	-
Graham Wade Limited	Dormant	100 00	100	-

# Layton Blackham Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

<b>8 Debtors</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Amounts owed by parent and fellow subsidiary undertakings	333,537	333,537
Corporation tax	79,744	-
Other debtors	65,100	91,693
	<u>478,381</u>	<u>425,230</u>
<b>9 Creditors, amounts falling due within one year</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Trade creditors	333,537	333,537
Amounts owed to parent and fellow subsidiary undertakings	7,861,966	6,121,413
Taxes and social security costs	-	1,420
Other creditors	1,057,193	1,641,723
Accruals and deferred income	42,207	966,562
	<u>9,294,903</u>	<u>9,064,655</u>
<b>10 Creditors: amounts falling due after more than one year</b>	<b>2007</b>	<b>2006</b>
	<b>£</b>	<b>£</b>
Other loans	<u>308,638</u>	<u>870,529</u>
<b>Analysis of loans</b>		
Wholly repayable within five years	<u>308,638</u>	<u>870,529</u>

# Layton Blackham Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 11 Pension costs

#### Defined benefit

The company operates a defined benefit pension scheme, which is closed to new members and future benefit accrual. A full actuarial valuation was carried out at 1 January 2006 and updated to 31 December 2007 by a qualified independent actuary to take account of the requirements of Financial Reporting Standard number 17 and to assess the liabilities of the scheme at 31 December 2007. Scheme assets are stated at their market values at respective balance sheet dates.

The Directors deem it appropriate, in arriving at the scheme valuation, to adjust the 1990 mortality tables to take cognisance of the specific circumstances of the scheme members.

#### The major assumptions used by the actuary were:

	2007 %	2006 %	2005 %
Rate of increase in pensions payment	5.00	5.00	5.00
Discount rate	6.10	5.40	5.00
Inflation assumption	2.75	2.75	2.50

#### The long term expected rates of return are as follows:

	2007 %	2006 %	2005 %
Equities	7.50	7.00	6.50
Bonds	6.10	5.00	5.00
Property	6.00	6.00	6.00
Fixed Interest	4.70	-	-
Other assets	5.50	4.50	4.00

#### The assets in the scheme are as follows:

	2007 £	2006 £	2005 £
Equities	1,269,000	2,883,000	3,315,000
Bonds	-	2,562,000	3,016,000
Property	917,000	158,000	276,000
Fixed Interest	806,000	-	-
Other assets	4,503,000	1,716,000	580,000
Total market value of assets	7,495,000	7,319,000	7,187,000
Present value of scheme liabilities	(7,502,000)	(8,158,000)	(8,339,000)
Deficit in scheme	(7,000)	(839,000)	(1,152,000)
Related deferred tax asset	2,000	252,000	345,000
Net pension liability	(5,000)	(587,000)	(807,000)

# Layton Blackham Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 11 Pension costs

(Continued)

#### Analysis of the amount credited to interest payable and similar charges.

	2007 £	2006 £
Expected return on pension scheme assets	414,000	402,000
Interest on pension scheme liabilities	(432,000)	(409,000)
Net Return	(18,000)	(7,000)

#### Analysis of amount recognised in the statement of total recognised gains and losses:

	2007 £	2006 £
Actual return less expected return on pension scheme assets	(133,000)	(132,000)
Changes in assumptions underlying the present value of the scheme liabilities	760,000	284,000
Actual gain / (loss) recognised in the statement of total recognised gains and losses	627,000	152,000

#### Movement in deficit during the year:

	2007 £	2006 £
Deficit in scheme at 1 January 2007	(839,000)	(1,152,000)
Other finance income	(18,000)	(7,000)
Contributions made by employer	223,000	168,000
Actuarial gain / (loss)	627,000	152,000
Deficit in scheme at 31 December 2007	(7,000)	(839,000)

# Layton Blackham Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 11 Pension costs

(Continued)

#### History of experience gains and losses:

	2007	2006	2005	2004	2003
	£	£	£	£	£
Difference between the expected and actual return on scheme assets					
Amount	(133,000)	(132,000)	727,000	84,000	327,000
Percentage of scheme assets	(1.77%)	(1.80%)	10.12%	1.37%	5.58%
Experience gains and losses on scheme liabilities					
Amount	-	-	(323,000)	634,000	-
Percentage of the present value of the scheme liabilities	-	-	3.87%	9.02%	-
Total amount recognised in statement of recognised gains and losses					
Amount	627,000	152,000	(476,000)	449,000	327,000
Percentage of the present value of scheme liabilities	8.36%	1.86%	(5.71%)	6.39%	4.37%

### 12 Share capital

	2007	2006
	£	£
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000

# Layton Blackham Group Limited

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007

### 13 Statement of movements on profit and loss account

	Pension scheme reserve £	Profit and loss account £
Balance at 1 January 2007	(587,000)	(9,383,449)
Retained profit for the year	-	465,259
Actuarial gains or losses on pension scheme assets	-	377,000
Transfer between profit and loss account reserve and pension scheme reserve	582,000	(582,000)
Balance at 31 December 2007	(5,000)	(9,123,190)

The directors feel that disclosure of a pension scheme reserve assists in the clarity of the financial statements for members of the defined benefit pension scheme

### 14 Reconciliation of movements in shareholders' funds

	2007 £	2006 £
Profit/(Loss) for the financial year	465,259	(4,262,982)
Other recognised gains and losses	377,000	59,000
Net addition to/(depletion in) shareholders' funds	842,259	(4,203,982)
Opening shareholders' funds	(9,969,449)	(5,765,467)
Closing shareholders' funds	(9,127,190)	(9,969,449)

### 15 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.

### 16 Employees

#### Number of employees

The average monthly number of employees (including directors) during the year was

	2007 Number	2006 Number
Staff including directors	5	5

# **Layton Blackham Group Limited**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2007**

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### **17 Control**

The immediate parent company throughout the current and prior years was Layton Blackham Holdings Limited, a company registered in England and Wales

In the opinion of the directors, the Company's ultimate parent and controlling undertaking is AXA, a company incorporated in France. The parent undertaking of the largest and smallest 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.

### **18 Related party transactions**

As the Company is a wholly-owned subsidiary undertaking it has taken advantage of the exemption granted under FRS 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. There were no transactions by the Company with non-group related parties.