

IFA NETWORK LIMITED
FINANCIAL STATEMENTS AND
DIRECTORS' REPORT
FOR THE SEVEN MONTH PERIOD ENDED 31 DECEMBER 2007

REGISTERED NUMBER. 02543561



IFA NETWORK LIMITED
DIRECTORS' REPORT
FOR THE SEVEN MONTH PERIOD ENDED 31 DECEMBER 2007

The Directors present their report and the audited financial statements of IFA Network Limited (the "Company") for the seven month period ended 31 December 2007

Principal Activity and Business Review

The Company has been non-trading during the financial period. The Directors expect that the Company will be dormant and will continue to be non-trading in the coming year.

On 8 June 2007 Sesame Group Limited was acquired by Friends Provident Distribution Holdings Limited (a 100% subsidiary of Friends Provident plc). On this date the Company's ultimate parent Company and controlling party ceased to be Misys plc and became Friends Provident plc. The Company is a subsidiary of Sesame Group Limited. For details relating to immediate holding companies please refer to note 9.

Results and Dividends

The results of the Company for the period are set out in detail on page 5. The Directors do not recommend the payment of ordinary dividend (year ended 31 May 2007: £nil). A profit of £548,000 has been transferred to reserves (year ended 31 May 2007: £548,000 loss).

Principal Risks and Uncertainties

The Company's principal risk is the ability to recover its debtors due from group undertakings. It is currently able to do this on demand because of parental support.

Key Performance Indicators (KPI's)

The Directors do not rely on KPI's because the Company is non-trading.

Directors

The Directors who served during the period and up to the date of signing of the financial statements were as follows:

M Couzens
M T Wadelin

Statement of Disclosure of Information to Auditors

Each Director in office at the date of this report confirms that:

- So far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- Each Director has taken all steps that he/she ought to have taken as a Director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent Auditors

Following a change in the ultimate ownership of the Company from Misys plc to Friends Provident plc, for practical purposes PricewaterhouseCoopers LLP were retained for the 31 December 2007 period end audit. In 2008, the Company's ultimate parent Company, Friends Provident plc, will carry out a review following which a resolution to appoint auditors will be proposed.

IFA NETWORK LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE SEVEN MONTH PERIOD ENDED 31 DECEMBER 2007

Change of Accounting Reference Date

In order to bring the reporting period of the Company in line with Friends Provident plc following the change in ownership from Misys plc to Friends Provident plc the accounting reference date was changed from 31 May to 31 December. The current period is the seven months to 31 December 2007, the comparative period is the twelve months to 31 May 2007.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 UK Accounting Standards have been followed, 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, in which case there should be supporting assumptions or qualifications as necessary.

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 that 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.

Approved by the Board of Directors on 11 April 2008 and signed on its behalf by



M T Wadelin
Director

IFA NETWORK LIMITED
INDEPENDENT AUDITORS' REPORT
FOR THE SEVEN MONTH PERIOD ENDED 31 DECEMBER 2007

Independent Auditors' Report to the Members of IFA Network Limited

We have audited the financial statements of IFA Network Limited for the seven month period ended 31 December 2007 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

Respective Responsibilities of 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 to you 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 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.

IFA NETWORK LIMITED
INDEPENDENT AUDITORS' REPORT (CONTINUED)
FOR THE SEVEN MONTH PERIOD ENDED 31 DECEMBER 2007

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 period 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
Chartered Accountants and Registered Auditors
London

16 April 2008

IFA NETWORK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE SEVEN MONTH PERIOD ENDED 31 DECEMBER 2007

	Note	Seven Month Period Ended 31 December 07 £'000	Year Ended 31 May 07 £'000
Other expenses			
Exceptional items	12	548	(548)
		<hr/>	<hr/>
Profit/(loss) on ordinary activities before taxation		548	(548)
Tax on profit/(loss) on ordinary activities	4	-	-
		<hr/>	<hr/>
Retained profit/(loss) for the financial period/year	7,8	548	(548)
		<hr/> <hr/>	<hr/> <hr/>

The results above reflect the continuing activities of the Company

There are no gains or losses for the period other than the result for the financial period above Accordingly no Statement of Total Recognised Gains and Losses is given

There are no differences between the profit on ordinary activities before tax and the retained profit for the financial period stated above and their historical cost equivalents

IFA NETWORK LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2007

	Note	31 December 07 £'000	31 May 07 £'000
Current Assets			
Debtors – Amounts falling due within one year	5	548	-
Cash at bank and in hand		10	10
		<hr/>	<hr/>
Total Assets less Current Liabilities		558	10
		<hr/>	<hr/>
Capital and Reserves			
Called up share capital	6	401	401
Profit and loss account	7	157	(391)
		<hr/>	<hr/>
Total Equity Shareholders' Funds	8	558	10
		<hr/>	<hr/>

The financial statements on pages 5 to 10 were approved by the Board of Directors on 11 April 2008 and signed on its behalf by



M T Wadelin
Director

IFA NETWORK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE SEVEN MONTH PERIOD ENDED 31 DECEMBER 2007

1 Accounting Policies**Accounting Convention**

These financial statements are prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 1985 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

Deferred Taxation

Deferred tax is provided in full using the liability method. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less tax in the future. Resultant deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

2 Employees and Directors Remuneration

There were no employees in the period (year ended 31 May 2007: nil). Directors' emoluments have not been apportioned to IFA Network Limited as the Directors' services to this Company are considered to be incidental to the activities of the entire group (year ended 31 May 2007: £nil). The Directors are remunerated by other Companies within the group.

3 Auditors Remuneration

Remuneration of the auditors for audit services of £5,000 (year ended 31 May 2007: £5,000) has been borne by a fellow subsidiary, Sesame Services Ltd, and has not been recharged to the Company, as was the case in the prior year.

4 Taxation on Profit on Ordinary Activities

	Seven Month Period Ended 31 December 07 £'000	Year Ended 31 May 07 £'000
UK corporation tax on profits for the year	-	-

The tax assessed for the current period differs from the standard rate of corporation tax in the United Kingdom (30%) (May 2007: 30%). A reconciliation is however provided below.

IFA NETWORK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SEVEN MONTH PERIOD ENDED 31 DECEMBER 2007

4 Taxation on Profit on Ordinary Activities (continued)	Seven Month Period Ended 31 December 07 £	Year Ended 31 May 07 £
Profit/(loss) on ordinary activities before taxation	548	(548)
	<u> </u>	<u> </u>
Tax on profit/(loss) on ordinary activities at standard rate of UK Corporation tax of 30%	164	(164)
Effects of Non deductible expenditure	(164)	164
	<u> </u>	<u> </u>
	-	-
	<u> </u>	<u> </u>

5 Debtors : Amounts falling due within one year	31 December 07 £'000	31 May 07 £'000
Amounts owed by group undertakings	548	548
Provision against amounts owed by group undertakings	-	(548)
	<u> </u>	<u> </u>
	548	-
	<u> </u>	<u> </u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

6 Called Up Share Capital	31 December 07 £'000	31 May 07 £'000
Authorised:		
802,000 ordinary shares of 50p each	401	401
	<u> </u>	<u> </u>
Allotted, called up and fully paid:		
802,000 ordinary shares of 50p each	401	401
	<u> </u>	<u> </u>

IFA NETWORK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SEVEN MONTH PERIOD ENDED 31 DECEMBER 2007

7 Profit and Loss Account	31 December 07	
	£'000	
At 1 June 2007		(391)
Retained profit/(loss) for the financial period		548
		<hr/>
At 31 December 2007		157
		<hr/>
8 Reconciliation of Movements in Equity Shareholders' Funds	31 December 07	31 May 07
	£'000	£'000
Retained profit/(loss) for the financial period/year	548	(548)
	<hr/>	<hr/>
Net addition/deduction to/from equity shareholders' funds	548	(548)
Opening equity shareholders' funds	10	558
	<hr/>	<hr/>
Closing equity shareholders' funds	558	10
	<hr/>	<hr/>

9 Ultimate Parent Company and Controlling Party

The companies with shareholdings in IFA Network Limited are Halco 60 Limited (41.25%), Sesame Desktop Services Limited (41.25%), Sesame Desktop Solutions Limited (14.5%) and IE Group Limited (3%). All Companies are registered in England and Wales.

Up to 7 June 2007, the ultimate parent Company was Misys plc. From 8 June 2007, following the acquisition by Friends Provident Distribution Holdings Limited, Friends Provident plc (a Company registered in England and Wales) is the new ultimate parent Company. The parent Company of both the largest and smallest group in which IFA Network Limited is included in consolidated financial statements is that of Friends Provident plc. The consolidated financial statements of Friends Provident plc are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Mandy, Cardiff CF14 3UZ. The controlling party is Friends Provident plc.

10 Related Party Transactions

The Company has also taken advantage of the exemption under paragraph 3(c) of FRS8 'Related Party Disclosures' not to disclose transactions with group undertakings since the beneficial owner of the entire equity share capital of the Company during the period was Misys plc until 7 June 2007 and Friends Provident plc thereafter, and the financial statements of the parent company are publicly available. There were no other related party transactions requiring disclosure.

IFA NETWORK LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE SEVEN MONTH PERIOD ENDED 31 DECEMBER 2007

11 Cash Flow Statements

During the period the Company was a wholly owned subsidiary of Misys plc until 7 June 2007 and Friends Provident plc thereafter and its results are included in the consolidated financial statements of Friends Provident, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS1 (revised 1996) 'Cash Flow Statements'.

12 Exceptional Item

	Seven Month Period Ended 31 December 07 £'000	Year Ended 31 May 07 £'000
Release of / (Provision) against group undertakings	548	(548)

The exceptional item relates to the release of provisions previously held against intercompany balances within the Sesame Group of Companies. The provisions have been released as the Directors have received letters of support from Friends Provident plc confirming that it will repay all amounts payable on demand for the twelve month period immediately following the date of signing by a Director of the balance sheet.