

Destini Horlock Financial Planning Limited

Company No. 03036277

Financial Statements

For the year ended

31 December 2006



Destini Horlock Financial Planning Limited

Company Information

Directors

J R.E. Everill
R Rennison
R Lindley

Secretary

R Rennison

Registered Office

Devonshire House
60 Goswell Road
London
EC1M 7AD

Bankers

Bank of Scotland plc
Queen Square House
Brighton
BN1 3FD

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

Destini Horlock Financial Planning Limited

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Destini Horlock Financial Planning Limited

Directors' Report For the year ended 31 December 2006

The directors present their report and financial statements for the year ended 31 December 2006

Principal activities and review of the business

The principal activity of the company throughout the year was the receipt of ongoing trail commission from business originally submitted by the company. The servicing of clients whose policies and plans generate the trail income is handled by a fellow group undertaking, Thinc Group Limited, which the company's advisers joined in 2005. Since the merger with Thinc in 2005 new business for both existing and new clients has been transacted through Thinc Group Limited.

The company is authorised by the Financial Services Authority ("FSA")

During 2006, the boards of Thinc Destini and Advisory Services Limited ("ASL"), a subsidiary of AXA UK plc, reached agreement on the terms of the acquisition to be made for the entire issued share capital of Thinc Group Holdings Limited (formerly Thinc Destini Group Limited). The offer became unconditional on the 10 November 2006 and ASL acquired control of Thinc Group Holdings Limited, the former ultimate parent undertaking of the company.

Turnover from trail income in 2006 of £105,593 was similar to 2005 (£82,817 for 11 months).

The operating profit of £84,535 is after taking account of the management charges from the group service company, Thinc Management Services Limited, of £21,191. Following the centralisation of group services the company does not employ any staff or pay any costs directly.

The company has processes for risk acceptance and risk management which are addressed through a framework of policies, procedures and internal controls. All policies are subject to board approval and ongoing review by management, the risk management committee and internal audit. Compliance with regulation, legal and ethical standards is a high priority for the company and the compliance and finance teams take on an important oversight role in this regard.

The principal risks for this business are from factors outside our control. Trail commission is only paid out on policies that are in force and serviced by the company. Policies may expire, become paid up, be transferred or terminated by the client for various reasons.

The company is part of a group that is one of the largest independent financial advisers in the UK. In reviewing the performance of the company the Board, inter alia, monitors the following Key Performance Indicator:

Turnover from trail £105,953 (11 months to 31 December 2005 - £82,817)

Results and dividends

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

During the year an interim dividend of £125,000 was paid. The directors do not recommend payment of a final dividend.

Future developments

The company will continue receiving trail income for the foreseeable future although as policies end the trail on them will cease. However, increments on existing policies will generate initial commission and additional trail.

Directors

The following directors have held office since 1 January 2006:

J R E Everill
R. Rennison
R. Lindley
M. Horlock
B. Summer

(Appointed 27 April 2006)
(Resigned 1 June 2006)
(Resigned 1 June 2006)

Destini Horlock Financial Planning Limited

Directors' Report (continued) For the year ended 31 December 2006

Directors' interests

No director had any shares or beneficial interest in the company. During the period J.R.E. Evenll, R. Rennison and R. Lindley had interests in the shares of the former ultimate parent undertaking, Thinc Group Holdings Limited, and their interests are disclosed in that company's accounts.

Employee involvement

The company's policy is to consult and discuss with employees at staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Disabled persons

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Creditor payment policy

The company's current policy concerning the payment of trade creditors is to

- settle the terms of payment with suppliers when agreeing the terms of each transaction,
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts, and
- pay in accordance with the company's contractual and other legal obligations.

At year end there were no trade creditors.

Auditors

Kingston Smith 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.

Destini Horlock Financial Planning Limited

Directors' Report (continued) For the year ended 31 December 2006

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

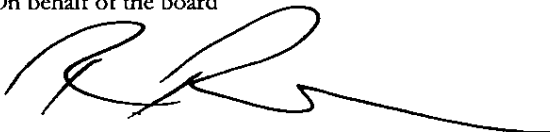
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors 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 auditor

- (a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



R. Rennison

Director

18/04/07

Destini Horlock Financial Planning Limited

Independent Auditors' Report To the Shareholders of Destini Horlock Financial Planning Limited

We have audited the financial statements of Destini Horlock Financial Planning Limited for the year ended 31 December 2006 set out on pages 5 to 11. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. 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 auditors' 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 the directors and auditors

As described in the Statement of Directors' Responsibilities on page 3, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

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, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also 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

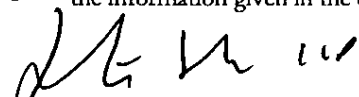
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the 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.

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 2006 and of its profit for the year then ended and 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.


Kingston Smith LLP

Chartered Accountants
Registered Auditors

Date 18/4/07

Devonshire House
60 Goswell Road
London
EC1M 7AD

Destini Horlock Financial Planning Limited

Profit And Loss Account For the year ended 31 December 2006

| | Notes | Year ended 31 December 2006 £ | 11 Months ended 31 December 2005 £ |
|--|-----------|---|--|
| Turnover | 2 | | |
| Continuing operations | | 105,953 | 82,817 |
| Discontinued activities | | - | 252,145 |
| | | <hr/> | <hr/> |
| | | 105,953 | 334,962 |
| Cost of sales | | - | (127,024) |
| | | <hr/> | <hr/> |
| Gross profit | | 105,953 | 207,938 |
| Administrative expenses | | (21,418) | (156,172) |
| | | <hr/> | <hr/> |
| Operating profit | 4 | | |
| Continuing operations | | 84,535 | 71,010 |
| Discontinued activities | | - | (19,244) |
| | | <hr/> | <hr/> |
| | | 84,535 | 51,766 |
| Other interest receivable and similar income | 5 | - | 306 |
| | | <hr/> | <hr/> |
| Profit on ordinary activities before taxation | | 84,535 | 52,072 |
| Tax on profit on ordinary activities | 6 | (25,360) | 1,321 |
| | | <hr/> | <hr/> |
| Profit for the year | 12 | 59,175 | 53,393 |
| | | <hr/> | <hr/> |

There are no recognised gains and losses other than those passing through the profit and loss account

Destini Horlock Financial Planning Limited

Balance Sheet As at 31 December 2006

| | Notes | 2006 £ | £ | 2005 £ | £ |
|--|-------|-----------------|---------------|-----------------|----------------|
| Current assets | | | | | |
| Debtors | 8 | 141,117 | | 149,947 | |
| Cash at bank and in hand | | 567 | | 7,106 | |
| | | <u>141,684</u> | | <u>157,053</u> | |
| Creditors amounts falling due within one year | 9 | <u>(88,343)</u> | | <u>(37,887)</u> | |
| Total assets less current liabilities | | | <u>53,341</u> | | <u>119,166</u> |
| Capital and reserves | | | | | |
| Called up share capital | 11 | | 1,100 | | 1,100 |
| Profit and loss account | 12 | | 52,241 | | 118,066 |
| Shareholders' funds | 13 | | <u>53,341</u> | | <u>119,166</u> |

Approved by the Board and authorised for issue on 18/04/07



R Rennison
Director

Destini Horlock Financial Planning Limited

Notes to the Financial Statements

For the year ended 31 December 2006

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group

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 (except as otherwise stated)

1.3 Turnover

Turnover represents renewal commission receivable on the sale of various investment products to clients and is recognised as it falls due

1.4 Deferred taxation

In accordance with FRS 19, deferred tax is recognised as a liability or asset if transactions or events that give the company the obligation to pay more tax in future or a right to pay less tax in future have occurred by the balance sheet date

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Cost of sales and net operating expenses

| | 2006 | | | 2005 | | |
|-------------------------|---------------|--------------|---------------|---------------|----------------|----------------|
| | Continuing | Discontinued | Total | Continuing | Discontinued | Total |
| | £ | £ | £ | £ | £ | £ |
| Cost of sales | - | - | - | - | 127,024 | 127,024 |
| Administrative expenses | 21,418 | - | 21,418 | 11,413 | 144,759 | 156,172 |
| Other operating income | - | - | - | 394 | (394) | - |
| | <u>21,418</u> | <u>-</u> | <u>21,418</u> | <u>11,807</u> | <u>271,389</u> | <u>283,196</u> |

Destini Horlock Financial Planning Limited
Notes to the Financial Statements
For the year ended 31 December 2006 (continued)

| | | | |
|----------|---|-------------------|-------------------|
| 4 | Operating profit | 2006 | 2005 |
| | | £ | £ |
| | Operating profit is stated after charging | | |
| | Depreciation of tangible assets | - | 2,066 |
| | Operating lease rentals | - | 12,427 |
| | Auditors' remuneration | - | 3,500 |
| | | <u> </u> | <u> </u> |

Audit costs for the company in the current period of £5,900 were borne by a fellow subsidiary undertaking

| | | | |
|----------|--------------------------|-------------------|-------------------|
| 5 | Investment income | 2006 | 2005 |
| | | £ | £ |
| | Bank interest | - | 306 |
| | | <u> </u> | <u> </u> |

| | | | |
|----------|------------------------------------|-------------------|-------------------|
| 6 | Taxation | 2006 | 2005 |
| | | £ | £ |
| | Domestic current year tax | | |
| | Adjustment for prior years | - | 116 |
| | Payment in respect of group relief | 25,360 | - |
| | | <u> </u> | <u> </u> |
| | Current tax charge | 25,360 | 116 |
| | Deferred tax | | |
| | Deferred tax credit current year | - | (1,437) |
| | | <u> </u> | <u> </u> |
| | | 25,360 | (1,321) |
| | | <u> </u> | <u> </u> |

Factors affecting the tax charge for the year

| | | |
|---|-------------------|-------------------|
| Profit on ordinary activities before taxation | 84,535 | 52,072 |
| | <u> </u> | <u> </u> |

Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 30.00% (2005 - 30.00%)

| | | |
|--|-------------------|-------------------|
| | 25,360 | 15,622 |
| | <u> </u> | <u> </u> |

Effects of

| | | |
|------------------------------------|-------------------|-------------------|
| Non deductible expenses | - | 265 |
| Accelerated Capital allowances | - | 620 |
| Group relief | (25,360) | (16,507) |
| Payment in respect of group relief | 25,360 | - |
| Adjustments to previous periods | - | 116 |
| | <u> </u> | <u> </u> |
| | - | (15,506) |
| | <u> </u> | <u> </u> |

| | | |
|---------------------------|-------------------|-------------------|
| Current tax charge | 25,360 | 116 |
| | <u> </u> | <u> </u> |

Destini Horlock Financial Planning Limited
Notes to the Financial Statements
For the year ended 31 December 2006 (continued)

| | | | |
|-----------|---|-------------------|-------------------|
| 7 | Dividends | 2006 | 2005 |
| | | £ | £ |
| | Ordinary interim paid | 125,000 | - |
| | | <u> </u> | <u> </u> |
| 8 | Debtors | 2006 | 2005 |
| | | £ | £ |
| | Amounts owed by parent and fellow subsidiary undertakings | 141,117 | 142,065 |
| | Other debtors | - | 7,882 |
| | | <u> </u> | <u> </u> |
| | | 141,117 | 149,947 |
| | | <u> </u> | <u> </u> |
| 9 | Creditors amounts falling due within one year | 2006 | 2005 |
| | | £ | £ |
| | Trade creditors | - | 15,430 |
| | Amounts owed to parent and fellow subsidiary undertakings | 88,343 | 10,650 |
| | Accruals and deferred income | - | 11,807 |
| | | <u> </u> | <u> </u> |
| | | 88,343 | 37,887 |
| | | <u> </u> | <u> </u> |
| 10 | Pension costs | | |
| | Defined contribution | | |
| | | 2006 | 2005 |
| | | £ | £ |
| | Contributions payable by the company for the year | - | 2,939 |
| | | <u> </u> | <u> </u> |

Destini Horlock Financial Planning Limited
Notes to the Financial Statements
For the year ended 31 December 2006 (continued)

| 11 Share capital | 2006 | 2005 |
|--|---------------|---------------|
| | £ | £ |
| Authorised | | |
| 1,000 Ordinary shares of £1 each | 1,000 | 1,000 |
| 100 Ordinary B shares of £1 each | 100 | 100 |
| 20,000 Redeemable preference shares of £1 each | 20,000 | 20,000 |
| | <u>21,100</u> | <u>21,100</u> |
| Allotted, called up and fully paid | | |
| 1,000 Ordinary shares of £1 each | 1,000 | 1,000 |
| 100 Ordinary B shares of £1 each | 100 | 100 |
| | <u>1,100</u> | <u>1,100</u> |

Ordinary B shares have no voting rights or preference on a winding up or other return of capital. In all other respects the shares rank pari passu.

12 Statement of movements on profit and loss account

| | Profit and loss account |
|-----------------------------|------------------------------------|
| | £ |
| Balance at 1 January 2006 | 118,066 |
| Profit for the year | 59,175 |
| Dividends paid | (125,000) |
| | <u>52,241</u> |
| Balance at 31 December 2006 | <u>52,241</u> |

13 Reconciliation of movements in shareholders' funds

| | 2006 | 2005 |
|--|-----------------|----------------|
| | £ | £ |
| Profit for the financial year | 59,175 | 53,393 |
| Dividends | (125,000) | - |
| | <u>(65,825)</u> | <u>53,393</u> |
| Net (depletion in)/addition to shareholders' funds | (65,825) | 53,393 |
| Opening shareholders' funds | 119,166 | 65,773 |
| | <u>53,341</u> | <u>119,166</u> |
| Closing shareholders' funds | <u>53,341</u> | <u>119,166</u> |

Destini Horlock Financial Planning Limited
Notes to the Financial Statements
For the year ended 31 December 2006 (continued)

| | | |
|------------------------------------|-------------------------|-------------------------|
| 13 Directors' emoluments | 2006 £ | 2005 £ |
| Emoluments for qualifying services | - | 70,000 |

14 Employees

Number of employees

There were no employees during the year apart from the directors. Employee services were provided to the company by the group's facilities company, Thinc Management Services Limited. Details of employee numbers and costs have been disclosed in the financial statements for that company.

| | | |
|-------------------------|-------------------------|-------------------------|
| Employment costs | 2006 £ | 2005 £ |
| Wages and salaries | - | 159,141 |
| Social security costs | - | 16,019 |
| Other pension costs | - | 2,939 |
| | - | 178,099 |

15 Control

In the opinion of the directors, the company's ultimate parent undertaking and controlling company is AXA, a company incorporated in France. The immediate parent company is Thinc Trail Collections Limited, a company registered in England and Wales.

The parent undertaking of the largest and smallest group for which group financial statements are prepared which include the company is Thinc Group Holdings Limited, a company registered in England and Wales. Copies of the group financial statements for Thinc Group Holdings Limited can be obtained from the Company Secretary at Devonshire House, 60 Goswell Road, London EC1M 7AD.

16 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.