

Registered number 04257807

THINC NETWORK SERVICES LIMITED

**Director's Report and Financial Statements
for the year ended 31 December 2012**



Registered Office: 5 Old Broad Street, London EC2N 1AD

THINC NETWORK SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

G. Harvey
C G Bobby

COMPANY SECRETARY

J P Small

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

THINC NETWORK SERVICES LIMITED

DIRECTOR'S REPORT

The directors present their report and the audited financial statements of Thinc Network Services Limited (the "Company") for the year ended 31 December 2012

PRINCIPAL ACTIVITY

The Company has ceased to trade

BUSINESS REVIEW

The Company has not traded in 2012. In December 2012 the Company applied for a reduction in share capital. Following the reduction in share capital, the net asset value of the Company was distributed by way of dividend to its parent, Thinc Group Holdings Limited.

Outlook

The Company does not intend to recommence trading.

Results

The results of the Company for the year are set out on page 7 and show a result of £nil (2011: loss £205).

Financial Risk Management

The Company has a framework of policies, procedures and internal controls. All policies are subject to board approval and ongoing review by management, the Risk Committee and internal audit. Any changes to policies or strategies are communicated clearly via policy statements and guidelines.

The Company has low exposure to credit risk and low exposure to cash flow and liquidity risks. Selling risks are minimised through professional indemnity insurance run-off cover.

GOING CONCERN

As the Company has ceased to trade, in the opinion of the director, the going concern basis is not applicable. Accordingly, current assets are stated at the lower of cost and net realisable value.

THINC NETWORK SERVICES LIMITED

DIRECTOR'S REPORT (CONTINUED)

DIVIDENDS

The directors paid an interim dividend totalling £1,311,870 on 31 December 2012 (2011: £nil)

The directors do not recommend payment of a final dividend for the year ended 31 December 2012 (2011: £nil)

DIRECTORS

The Directors of the Company at the date of this report are shown on page 1

Mr G Harvey was appointed a director of the Company on 31 May 2012

Mr P J Anderson resigned as a director of the Company on 29 June 2012

Mr C G Bobby was appointed as a director of the Company on 29 June 2012

INDEMNIFICATION OF DIRECTORS

The Company is party to a group wide indemnity policy which benefits all of its current directors and is a qualifying third party indemnity provision for the purpose of the Companies Act 2006

EXERCISE OF DIRECTORS' AXA SA SHARE OPTIONS

None of the directors of the Company exercised share options during the year (2011: none)

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each director in office at the date the directors' report is approved, confirms that

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

THINC NETWORK SERVICES LIMITED

DIRECTOR'S REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

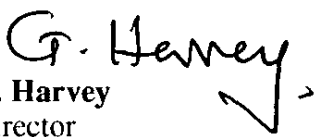
The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting 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;
- 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 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.

By order of the Board


G. Harvey

Director

27 March 2013

THINC NETWORK SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THINC NETWORK SERVICES LIMITED**

We have audited the financial statements of Thinc Network Services Limited for the year ended 31 December 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, 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.

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 Director's 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 2012 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

THINC NETWORK SERVICES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
THINC NETWORK SERVICES LIMITED (CONTINUED)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements

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



Claire Clough (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

27 March 2013

THINC NETWORK SERVICES LIMITED**PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2012**

	Note	2012 £	2011 £
Turnover	2	-	1,179
Cost of sales		-	(810)
Gross profit		-	369
Administrative expenses		-	82,374
Operating profit	3	-	82,743
Exceptional item			
Profit on closure of operations		-	5,079
Interest receivable and similar income	4	-	2,101
Interest payable and similar charges	5	-	(417)
Profit on ordinary activities before taxation		-	89,506
Tax on profit on ordinary activities	6	-	(89,711)
Loss for the financial year		-	(205)

There is no material difference between the result as disclosed in the profit and loss account and the result on an historical cost basis

There were no recognised gains and losses for the current and preceding financial year other than those included in the profit and loss account above and therefore no statement of total recognised gains and losses has been presented

The results above are derived from discontinued operations

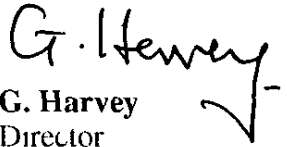
The notes on pages 9 to 13 form an integral part of these financial statements

THINC NETWORK SERVICES LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2012**

	Note	2012 £	2011 £
CURRENT ASSETS			
Debtors	8	1	1,311,871
NET ASSETS		1	1,311,871
CAPITAL AND RESERVES			
Called up share capital	9	1	100,000
Profit and loss account	10	-	1,211,871
TOTAL SHAREHOLDERS' FUNDS	10	1	1,311,871

The notes on pages 9 to 13 form an integral part of the financial statements

The financial statements on pages 7 to 13 were approved by the Board on 27 March 2013 and were signed on its behalf by


G. Harvey
Director

THINC NETWORK SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies used in the financial statements are set out below

Basis of preparation

These financial statements are prepared under the historical cost convention and in accordance with the provisions of The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 ("SI2008/410") and applicable accounting standards in the United Kingdom

The going concern basis is not applicable as the business has been transferred to a fellow group company. Accordingly current assets are stated at the lower of cost and net realisable value

Turnover

Initial and renewal policy commission income is recognised at the date it is received. Clawbacks are included when notified to the Company by the provider

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 recognised in the profit and loss account for the year, 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 is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted. Deferred tax is measured at the average tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis

THINC NETWORK SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2 TURNOVER**

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

3 OPERATING LOSS

Audit costs for the Company in the current period of £1,800 (2011 £2,000) were borne by a fellow subsidiary undertaking

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2012 £	2011 £
Bank interest	-	2,101

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2012 £	2011 £
Bank charges	-	417

6 TAX ON PROFIT ON ORDINARY ACTIVITIES

	2012 £	2011 £
Current tax		
UK corporation tax on profit of the year	-	(150)
Adjustment in respect of prior year	-	61,762
	-	61,612
Deferred tax:		
Origination and reversal of timing differences	-	28,099
Total deferred tax (note 9)	-	28,099
Tax on profit on ordinary activities	-	89,711

THINC NETWORK SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****6 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)****Reconciliation of tax charge for the year**

There is no tax charge for the year. In 2011 the tax charge was lower than the standard rate of corporation tax in the UK of 26.5%. The differences are explained below:

	2012 £	2011 £
Profit on ordinary activities before tax	-	89,506
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011: 26.5%)	-	23,719
<u>Effects of:</u>		
Provision movements not deductible for tax purposes	-	(22,525)
Capital profit covered by capital losses brought forward	-	(1,344)
Adjustment in respect of prior year	-	61,762
Current tax charge for the year	-	61,612

7 DIVIDENDS

	2012 £	2011 £
Equity – Ordinary		
Interim paid: £1,311,870 (2011: nil) per £1 share	<u>1,311,870</u>	<u>-</u>

8 DEBTORS

	2012 £	2011 £
Amounts owed by group undertakings	<u>1</u>	<u>1,311,871</u>

9 CALLED UP SHARE CAPITAL

	2012 £	2011 £
Allotted and fully paid:		
1 (2011: 100,000) ordinary shares of £1 each	<u>1</u>	<u>100,000</u>

THINC NETWORK SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****10 COMBINED STATEMENT OF MOVEMENTS IN RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	Called up share capital	Profit and loss account	2012 Total sharehold- ers' funds	2011 Total sharehold- ers' funds
	£	£	£	£
At 1 January	100,000	1,211,871	1,311,871	1,312,076
Share capital reduction	(99,999)	99,999	-	-
Dividend paid (see note 7)	-	(1,311,870)	(1,311,870)	-
Loss for the financial year	-	-	-	(205)
At 31 December	<u>1</u>	<u>-</u>	<u>1</u>	<u>1,311,871</u>

11 DEFERRED TAXATION

	2012 £	2011 £
At 1 January	-	92,460
Deferred tax credit in profit and loss account	-	(28,099)
Transferred to fellow subsidiary	-	(64,361)
At 31 December	<u>-</u>	<u>-</u>

12 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.

13 STAFF COSTS

The Company has no employees. All staff involved in providing services to the Company are employed by Bluefin Management Services Limited. The Company is not directly charged for any services provided to it by employees of Bluefin Management Services Limited.

THINC NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

14 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption granted under FRS 8 (Related Party Disclosures) which exempts it from disclosing related party transactions where the related party is part of the group of the intermediate parent company, AXA UK plc. No transactions arose with other companies in the group of the ultimate parent company, AXA.

15 CASH FLOW STATEMENT

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 SBJ Group Limited group financial statements which can be obtained from the registered office at 5 Old Broad Street, London EC2N 1AD.

16 IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company's immediate parent company is Thinc Group Holdings Limited, a company incorporated in Great Britain and registered in England and Wales, and 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 and smallest group which includes the Company and for which group financial statements are prepared is SBJ Group Limited. Copies of the SBJ Group Limited group financial statements can be obtained from the registered office at 5 Old Broad Street, London EC2N 1AD.

17 CONTINGENT LIABILITIES

The Company is subject to claims and litigation in the ordinary course of business resulting principally from alleged errors and omissions. Appropriate provision has been made for potential liabilities within Thinc Group Limited, the company that purchased the business of this Company.