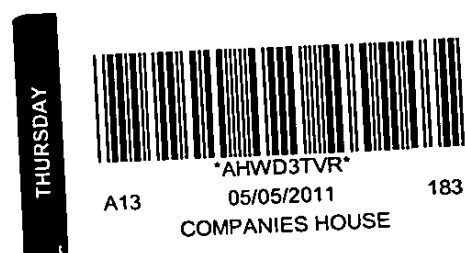


Registered number: 04257807

THINC NETWORK SERVICES LIMITED

**Report and Financial Statements
for the year ended 31 December 2010**



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

THINC NETWORK SERVICES LIMITED

COMPANY INFORMATION

DIRECTORS

P.J. Anderson

COMPANY SECRETARY

J.P. Small

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Hay's Galleria
1 Hay's Lane
London
SE1 2RD

THINC NETWORK SERVICES LIMITED

DIRECTORS' REPORT

The director has pleasure in submitting his annual report together with the audited financial statements for the year ended 31 December 2010.

BUSINESS REVIEW

Principal activities and review of the business

The Company continued to wind down its business during 2010. The Company is authorised and regulated by the Financial Services Authority ("FSA").

Results

The loss on ordinary activities of £122,530 (2009: £376,529) is after taking account of the management charges from the group service company, Bluefin Management Services Limited, of £184,012 (2009: £608,389) and after the net costs to close the operations of the Company of £293,122 (2009: £485,112) as a result of the sale of the Company's network business to the Sesame Group in 2009. The Company does not employ staff or pay any costs directly.

Key performance indicators (KPIs)

The Board monitors the performance of the Company by reference to the following KPIs:

	2010	2009
Operating profit	167,881	105,081

Dividends

The director does not recommend payment of an ordinary dividend. (2009: £ nil)

FINANCIAL RISKS AND RISK MANAGEMENT

The management of the winding up of the business activities of the Company is subject to specific types of risks.

The Company has medium exposure to credit risk and normal exposure to cash flow and liquidity risks.

FUTURE DEVELOPMENTS

The Company does not intend to recommence trading

DIRECTORS

The director of the Company at the date of this report is shown on page 1

J.R.E. Everill resigned as a director of the Company on 15 March 2010

A. Mackay was appointed as a director of the Company on 15 March 2010 and resigned on 17 December 2010

THINC NETWORK SERVICES LIMITED

DIRECTORS' REPORT

INDEMNIFICATION OF DIRECTORS

The Company is party to a groupwide 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

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each director in office at the date of approval of this report 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

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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, with the exception of changes arising on the adoption of new accounting standards in the year,
- 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, and
- 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 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 Sole Director


P J Anderson

Director

27 April 2011

**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 2010 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 3 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.

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 2010 and of its loss 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

Opinion on other matter prescribed by the Companies Act 2006

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

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

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



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

27 April 2011

THINC NETWORK SERVICES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2010

	Note	2010 £	2009 £
Turnover	2	(19,604)	4,095,093
Cost of sales		<u>17,080</u>	<u>(3,407,006)</u>
Gross (loss)/profit		(2,524)	688,087
Administrative expenses		<u>170,405</u>	<u>(583,006)</u>
Operating profit	3	167,881	105,081
Exceptional item: Loss on closure of operations		(293,122)	(485,112)
Interest receivable and similar income	4	3,146	5,100
Interest payable and similar charges	5	<u>(435)</u>	<u>(1,598)</u>
Loss on ordinary activities before taxation		(122,530)	(376,529)
Tax on loss on ordinary activities	6	30,134	182,428
Loss for the financial year		<u>(92,396)</u>	<u>(194,101)</u>

The results above are derived from discontinued operations.

There are 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

There is no material difference between loss on ordinary activities before taxation and the loss for the current and preceding financial years stated above and their historical cost equivalents

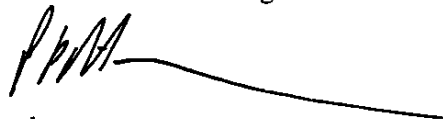
THINC NETWORK SERVICES LIMITED

BALANCE SHEET

as at 31 December 2010

	Note	2010	2009
		£	£
Current assets			
Debtors	7	1,525,032	2,112,797
Cash at bank and in hand		551,883	853,779
		<u>2,076,915</u>	<u>2,966,576</u>
Creditors - amounts falling due within one year	8	<u>(309,096)</u>	<u>(452,156)</u>
Net current assets		1,767,819	2,514,420
 Creditors - amounts falling due after more than one year	9	 (100,000)	 (100,000)
Provisions for liabilities	10	(355,743)	(1,009,948)
		<u>1,312,076</u>	<u>1,404,472</u>
Net assets			
Capital and reserves			
Called up share capital	11	100,000	100,000
Profit and loss account	12	1,212,076	1,304,472
		<u>1,312,076</u>	<u>1,404,472</u>
Total shareholders' funds	12	<u>1,312,076</u>	<u>1,404,472</u>

The financial statements on pages 6 to 13 were approved by the sole director on 27 April 2011 and were signed on its behalf by:



P J. Anderson
Director

THINC NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies are set out below. They have all been applied consistently throughout the current and previous year.

a Accounting Convention

These financial statements are prepared under the historical cost convention and in accordance with the Companies Act 2006 and under the provision of the Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, the accounting policies set out below and applicable accounting standards in the United Kingdom. The going concern basis is not applicable as the business has been sold. Accordingly current assets are stated at the lower of cost and net realisable value.

The Company is a wholly owned subsidiary of Thinc Group Holdings Limited and is included in the consolidated financial statements of AXA, which are publicly available. Consequently, the Company takes advantage of the exemption not to prepare such a statement in accordance with paragraph 5 (a) of FRS1 (revised 1996).

b Compliance and 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).

c Turnover

Initial policy commission income is recognised at the date of inception of policies. Clawbacks are included when notified to the Company by the provider. Renewal commission is recognised as it falls due. Fee based business is recognised when services have been provided.

d Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at expected future dates, at future rates that have been substantially enacted at the Balance Sheet date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets and liabilities are not discounted.

THINC NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

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 OPERATING PROFIT

Audit costs for the Company for the current year of £2,000 (2009: £6,625) were borne by a fellow subsidiary undertaking

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2010 £	2009 £
Bank interest	<u>3,146</u>	<u>5,100</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2010 £	2009 £
Bank charges	<u>435</u>	<u>1,598</u>

6 TAX ON LOSS ON ORDINARY ACTIVITIES

	2010 £	2009 £
Current tax		
UK corporation tax on losses of the current period	(134,620)	(14,917)
Adjustment in respect of prior period	751	28,684
	<u>(133,869)</u>	<u>13,767</u>
Deferred tax:		
Origination and reversal of timing differences	103,735	(90,511)
Adjustment in respect of prior period	-	(105,684)
Total deferred tax (note 13)	<u>103,735</u>	<u>(196,195)</u>
Tax on loss on ordinary activities	<u>(30,134)</u>	<u>(182,428)</u>

THINC NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6 TAXATION ON LOSS ON ORDINARY ACTIVITIES (continued)

	2010 £	2009 £
Reconciliation of tax charge for year		
The tax charge for the year is lower than (2009. higher than) the standard rate of corporation tax in the UK 28% (2009. 28%). The differences are explained below		
Loss on ordinary activities before tax	<u>(122,530)</u>	<u>(376,529)</u>
Loss on ordinary activities multiplied by standard rate in the UK of 28% (2009. 28%)	(34,308)	(105,428)
<u>Effects of</u>		
Provision movements not deductible for tax purposes	(100,312)	90,511
Prior year correction	<u>751</u>	<u>28,684</u>
Current tax charge for the year	<u>(133,869)</u>	<u>13,767</u>

Following the Government 2011 Budget announcement, a further reduction in the UK corporation tax rate to a rate of 26% with effect from 1 April 2011 was substantially enacted on 29 March 2011. This is expected to be followed by further 1% per annum reductions which will bring the rate to 23% by 1 April 2014. These changes had not been substantially enacted at the balance sheet date and, therefore, are not recognised in these financial statements.

7 DEBTORS

	2010 £	2009 £
Amounts owed by parent and fellow subsidiary undertakings	1,263,198	1,225,352
Prepayments and accrued income	5,267	175,000
Other debtors	164,107	516,250
Deferred tax (note 13)	<u>92,460</u>	<u>196,195</u>
	<u>1,525,032</u>	<u>2,112,797</u>

THINC NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

8 CREDITORS – AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Amounts owed to parent and fellow subsidiary undertakings	9,992	-
Other creditors	131,951	252,650
Accruals and deferred income	167,153	199,506
	<u>309,096</u>	<u>452,156</u>

9 CREDITORS – AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2010 £	2009 £
Loan owed to group undertaking	100,000	100,000
Loan maturity analysis		
Repayable in more than 2 years but not more than 5 years	<u>100,000</u>	<u>100,000</u>

The loan is subordinated to all other creditors of the Company, is interest free and cannot be repaid without the prior written consent of the Financial Services Authority ("FSA") The loan is not repayable until two years after notice to repay the loan is given

10 PROVISIONS FOR LIABILITIES

	Remed- iation £	Compl- aints £	Restruct- uring £	Policy Lapses £	Total £
At 1 January 2010	306,000	309,250	292,255	102,443	1,009,948
Credit to profit & loss	(306,000)	(235,950)	(112,255)	-	(654,205)
At 31 December 2010	<u>-</u>	<u>73,300</u>	<u>180,000</u>	<u>102,443</u>	<u>355,743</u>

Provision has been made for (i) estimated redress payments in cases of mortgage advice and certain pension transfer and pension income drawdown business, (ii) estimated payments and expenses in respect of potential matters of dispute and (iii) costs of providing run-off insurance cover for future complaints relating to past advice.

Recoverable amounts included within debtors include £191,000 for associated claims under the Company's professional indemnity insurance policy.

Provisions have not been made for contingent liabilities that cannot be quantified at this stage Full disclosure has been provided in note 18.

THINC NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

11 CALLED UP SHARE CAPITAL

	2010		2009	
	Number	£	Number	£
Allotted and fully paid:				
Ordinary shares of £1 each	100,000	100,000	100,000	100,000
	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

12 COMBINED STATEMENT OF MOVEMENTS IN RESERVES AND RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Called up share capital £	Profit and loss account £	2010 Total £	2009 Total £
At 1 January	100,000	1,304,472	1,404,472	1,598,573
Loss for the financial year	-	(92,396)	(92,396)	(194,101)
At 31 December	<u>100,000</u>	<u>1,212,076</u>	<u>1,312,076</u>	<u>1,404,472</u>

13 DEFERRED TAXATION

	2010 £	2009 £
Timing differences	<u>92,460</u>	<u>196,195</u>
At 1 January	196,195	-
Deferred tax credit in profit and loss account	<u>(103,735)</u>	<u>196,195</u>
At 31 December	<u>92,460</u>	<u>196,195</u>

During the year, as a result of the change in the UK corporation tax rate from 28% to 27% that was enacted in Finance (No 2) Act 2010 as effective on 1 April 2011, the relevant deferred tax balances have been re-measured. The impact included in the tax charge for the year is a charge of £3,424.

14 DIRECTORS' EMOLUMENTS

The emoluments of the directors are paid by Bluefin Management Services Limited for their services to the group as a whole. No emoluments were payable to the directors in respect of their services to this Company for the year ended 31 December 2010 (2009: £nil).

THINC NETWORK SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

15 EMPLOYEES

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

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.

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 AXA. Copies of the AXA group financial statements can be obtained from 23, avenue Matignon, 75008 Paris, France.

17 RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption in FRS 8 from the requirement to disclose transactions between entities that are wholly owned within the group. There are no other transactions requiring disclosure.

18 CONTINGENT LIABILITIES

The Group is subject to claims and litigation in the ordinary course of business resulting principally from alleged errors and omissions. Although all claims are strenuously defended, appropriate provision is made for potential liabilities including expenses that are deemed more likely than not (see note 10), there remains a contingent liability for all other items that arise in respect of potential claims and litigation notified to the Group at the date of these accounts. Claims may arise several years after the original events which are the subject of dispute.