

Reports & Financial Statements

For the year ended 31 December 2008

Axéria Insurance Company Limited

Company Registration No: 4559805

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AXÉRIA INSURANCE COMPANY LIMITED

DIRECTORS: G Bearman
D Godet
G Avenel

SECRETARY: D Godet

COMPANY NUMBER: 4559805

REGISTERED OFFICE: 3rd Floor
5-10 Bury Street
LONDON
EC3A 5AT

AUDITORS: Mazars LLP
Tower Bridge House
St Katharine's Way
LONDON
E1W 1DD

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DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2008.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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; 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 are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

REVIEW OF THE BUSINESS AND POST BALANCE SHEET EVENTS

In September 2004, the company was authorised by the FSA to underwrite insurance business. No insurance premiums have been written to date.

The results of the company for the year to 31 December 2008 have primarily been driven by exchange gains on investments held in foreign currencies.

The company has no research and development activities and no branches operating outside the UK.

There are no important events affecting the company which have occurred since the end of the financial year 2008.

FINANCIAL INSTRUMENTS

The Company's activities expose it to a variety of financial risks, including the effects of foreign currency exchange rates and interest rates. The Company's overall risk management policy focuses on monitoring potential adverse effects where considered material.

The Company accepts a certain degree of interest rate risk and other market price risks and continues to monitor these on an on-going basis. Prudent cash management is used to reduce any exposure to liquidity risk. The investments are held in euros at the request of the parent company, April Group, to reduce their foreign currency exchange exposure.

DIVIDENDS

At the meeting of the Board of Directors held on the 10th of February 2009 it was decided that a dividend would be paid to April Group of £1,233,000 (2007: £Nil).

DIRECTORS' REPORT (continued)**OWN SHARES**

The company does not hold any of its own shares. No loan has been taken out against the company's shares.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 January 2008 to the date of this report unless otherwise stated.

G Bearman
G Avenel
D Godet

DIRECTORS' INDEMNITY

The company's articles of association do not provide an indemnity for directors of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers.

However, appropriate directors' liability insurance cover is in place in respect of all of the company's directors.

STATEMENTS AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors have taken all the necessary steps to make us aware, as directors, of any relevant information and to establish that the auditors are aware of that information.

As far as the directors are aware, there is no relevant information of which the company's auditors are unaware.


AUDITORS

Mazars LLP continued as the independent auditor to the company during the year.

Mazars LLP have signified their willingness to continue in office and a resolution to approve their reappointment will be proposed at the forthcoming annual general meeting.

By order of the Board

Director



13/11/2009

D. GODET

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
AXERIA INSURANCE COMPANY LIMITED**

We have audited the financial statements of Axeria Insurance Company Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's member 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 member those matters we are required to state to it 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 member for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of 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, whether the financial statements are properly prepared in accordance with the Companies Act 1985 and whether 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 transactions with the company is not disclosed.

We read the Directors' Report and consider the implication for our report if we become aware of any apparent misstatement.

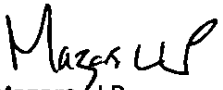
Basis of audit opinion

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 2008 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.


Mazars LLP
Chartered Accountants
and Registered Auditors
Tower Bridge House, St Katharine's Way
London E1W 1DD

18 November 2009

PROFIT AND LOSS ACCOUNT: NON-TECHNICAL ACCOUNT
For the year ended 31 December 2008

	Note	2008 £	2007 £
Balance on the technical account for general business		-	-
Investment income		1,279,631	448,149
Other charges and expenses		(15,794)	(12,288)
Profit on ordinary activities before tax	3	1,263,837	435,861
Tax on profit on ordinary activities	4	(306,316)	(130,758)
Profit on ordinary activities after tax	10	<u>957,521</u>	<u>305,103</u>

No items fall to be disclosed in the general business technical account.

All the above items relate to continuing operations.

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

BALANCE SHEET as at 31 December 2008

	Note	2008 £	2007 £
ASSETS			
Investments	7	5,202,583	3,924,978
Debtors			
Other debtors		100	100
Other assets			
Cash at bank and in hand		33,579	42,997
TOTAL ASSETS		<u>5,236,262</u>	<u>3,968,075</u>
LIABILITIES			
Capital and reserves			
Called up share capital	8	3,500,000	3,500,000
Profit and loss account	10	1,281,001	323,480
Equity shareholder's funds	9	4,781,001	3,823,480
Creditors			
Other creditors	11	449,261	138,595
Accruals and deferred income		<u>6,000</u>	<u>6,000</u>
TOTAL LIABILITIES		<u>5,236,262</u>	<u>3,968,075</u>

The financial statements on pages 4 to 9 were approved and authorised for issue by the Board on *13 November* 2009 and were signed on its behalf by

Director



2009

D. GODET

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2008

1. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments, and in accordance with applicable Accounting Standards in the United Kingdom.

On 29 September 2004, the company was authorised by the FSA as an insurance company. Accordingly these accounts have been prepared in accordance with the provisions of Section 255 of, and Schedule 9A to, the Companies Act 1985.

The company has complied with the Statement of Recommended Practice issued by the Association of British Insurers ("the ABI SORP") in December 2005 as amended in December 2006.

The company is a wholly owned subsidiary of April Group SA, a company incorporated in France, which publishes consolidated financial statements which include the affairs of the company. The company is therefore not required to prepare a cash flow statement or disclose details of transactions with other entities belonging to the same group.

2. ACCOUNTING POLICIES

(a) Investment income

Interest from financial investments and cash deposits is recognised in the non-technical account on a cash accruals basis. It includes foreign exchange gains arising from deposits made in foreign currency accounts.

(b) Investments

Financial investments are stated at current value at the balance sheet date.

(c) Taxation and deferred tax

Taxation is based on the taxable result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax at the rates of tax expected to apply when the timing differences reverse. Deferred tax is not discounted.

3. PROFIT ON ORDINARY ACTIVITIES BEFORE TAX

The profit on ordinary activities before tax
is stated after charging:

	2008 £	2007 £
Fees payable to the company's auditor for the the audit of the company's annual accounts	3,400	-
Fees payable to the company's auditor for other services: Tax Services	950	-
	<u> </u>	<u> </u>

Audit Fees for 2007 were paid for by the Group holding company.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

4. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
Based on the profit for the year:		
Corporation tax @ 28% (2007:30%)	306,316	130,758
	<u> </u>	<u> </u>
	2008 £	2007 £
Profit on ordinary activities before tax	1,263,837	435,861
	<u> </u>	<u> </u>
Profit on ordinary activities multiplied by standard rate		
of corporation tax in the UK of 28% (2007:30%)	353,874	130,758
Effects of:		
Rate Differences	6,285	-
Group Loss Relief	(53,843)	-
	<u> </u>	<u> </u>
Current tax charge	306,316	130,758
	<u> </u>	<u> </u>

5. STAFF COSTS

There were no employees during the year (2007: nil).

6. DIRECTORS

	2008 £	2007 £
Total remuneration	10,000	10,000
	<u> </u>	<u> </u>

7. INVESTMENTS

	Market value		Cost	
	2008 £	2007 £	2008 £	2007 £
Shares and other variable yield securities and units in unit trusts	5,202,583	3,924,978	3,818,978	3,818,978
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

8. SHARE CAPITAL

	Authorised		Allotted, issued and fully paid	
	2008	2007	2008	2007
	£	£	£	£
Ordinary shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>	<u>3,500,000</u>	<u>3,500,000</u>

9. RECONCILIATION OF MOVEMENT IN SHAREHOLDER'S FUNDS

	2008	2007
	£	£
Retained profit for the financial year	957,521	305,103
	<u> </u>	<u> </u>
Net addition to shareholder's funds	957,521	305,103
Opening shareholder's funds	<u>3,823,480</u>	<u>3,518,377</u>
Closing shareholder's funds	<u>4,781,001</u>	<u>3,823,480</u>

10. RESERVES

	Profit and loss account
	£
At 1 January 2008	323,480
Retained profit for the year	<u>957,521</u>
At 31 December 2008	<u>1,281,001</u>

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2008

11. OTHER CREDITORS

	2008	2007
	£	£
Amount due to group undertakings	12,217	7,867
Corporation Tax	437,044	130,728
	<u>449,261</u>	<u>138,595</u>

12. PARENT UNDERTAKING AND CONTROLLING PARTY

The directors regard April Group SA, a company incorporated in France as the company's immediate and ultimate holding company and controlling party.