REGISTERED NUMBER 4901317 (England and Wales)

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2007

FOR

DAVIS CORPORATE RISKS LIMITED

DAVIS CORPORATE RISKS LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2007

DAVIS CORPORATE RISKS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2007

DIRECTORS	L G Davis Smart H L Davis Flynn A R C Gardiner K J Hancock I S Richardson M L Turnbull S J Field P F Bridges
SECRETARY:	R W Proctor
REGISTERED OFFICE	14 Kings Court Newmarket Suffolk CB8 7SG
REGISTERED NUMBER	4901317 (England and Wales)
AUDITORS	PricewaterhouseCoopers LLP Chartered Accountants and Registered Auditors Hay's Galleria 1 Hay's Lane London SE1 2RD

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2007

The directors present their report with the financial statements of the company for the year ended 31 December 2007

PRINCIPAL ACTIVITIES
The principal activities of the company during the year continued to be those of a general insurance broker

BUSINESS REVIEW AND KEY PERFORMANCE INDICATOR ANALYSIS
The results for the year and financial position of the company are as shown in the annexed financial statements

The company took over the direct trade of an associated company, Davis Specialist Risks Limited, on 1 May 2007 On 3 September 2007 the company became part of Venture Preference Limited / AXA UK

The company uses a range of performance measures to monitor and manage the business effectively These are both financial and non-financial and the most significant of these are the key performance indicators (KPI's)

The key financial performance indicators are turnover, profit before tax and margin on profit before tax These KPI's indicate the volume of work the company has undertaken as well as the efficiency and profitability with which this work has been delivered

The key non-financial performance indicator is the number of staff employed by the company

The key performance indicators for the year ended 2007, with comparatives for the year ended 2006 are set out below

	2007	2006
Turnover (£'000)	**£3,171**	£2,805
Profit before tax (£'000)	**£662**	£431
Margin on profit before tax (%)	**21%**	15%
Average number of employees	**46**	52

The directors expect growth from the company

PRINCIPAL RISKS AND UNCERTAINTIES
The market in which the company operates is highly competitive, insurance rates continue to soften and customer's expectations are high Policies to monitor price and competition are in place to mitigate such risks In addition, the company has very few individual large commission paying clients, which means the loss of one single account would not have a significant impact on income Our Key Account strategy also mitigates this risk

The industry in which the company operates is highly regulated Future changes in such regulation may impact the company's ability to generate income, either through decreased revenues, increased expenditure or a combination of both The Board carefully monitors ongoing compliance with regulation

The success of the company is largely dependant upon the recruitment and retention of our employees The Board is very aware of this and takes various steps to ensure that the company can recruit, train and retain quality people at all levels

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company uses various financial instruments including cash, and items such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to raise finance for the company's operations

The existence of these financial instruments exposes the company to a number of financial risks The main risks arising from the company's financial instruments are credit risk and liquidity risk The directors review and agree policies for managing each of these risks and they are summarised below These policies have remained unchanged from previous years

Credit risk
The company's principal credit risk relates to the recovery of amounts owed by trade debtors Large new clients are credit checked and debts are actively chased by the executive handling the client This is all monitored by the credit control department

Liquidity risk
Current and projected working capital is reviewed regularly to determine cash requirements

RESULTS AND DIVIDENDS

The profit for the financial year, after taxation, amounted to £462,188 (2006 £300,304) Particulars of dividends are detailed in note 6 to the financial statements

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2007 to the date of this report

L G Davis Smart
H L Davis Flynn
A R C Gardiner
K J Hancock
I S Richardson
M L Turnbull
S J Field

Changes in directors holding office are as follows

P F Bridges - appointed 1 May 2007

During the year the company maintained liability insurance for its directors and officers This provision, which is a qualifying third party indemnity provision as defined by Section 309B of the Companies Act 1985, was in force throughout the year and is currently in force

POLICY ON THE PAYMENT OF CREDITORS

The company seeks the best possible terms from suppliers appropriate to its business and, in placing orders, gives consideration to quality, price and terms of payment which will be agreed with suppliers when the details of each transaction are settled The company will continue to honour its contractual and other legal obligations and to pay creditors on the dates agreed in contracts and purchase orders

At 31 December 2007 the aggregate amount owed to trade creditors, as a proportion of the aggregate amounts invoiced by suppliers to the company during the year then ended, represented an average of 21 days credit (2006 27 days)

DONATIONS

During the year the company made the following contributions

	2007	2006
	£	£
Charitable	9,434	7,700

DAVIS CORPORATE RISKS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 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 year 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 these 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 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 234A of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

AUDITORS
Grant Thornton UK LLP tendered their resignation as auditors of the company on 18 October 2007 and the directors subsequently appointed PricewaterhouseCoopers LLP

Under Section 379A of the Companies Act 1985, the Company has elected to dispense with the following obligations

- to lay accounts and reports before general meetings,
- to hold annual general meetings, and
- to appoint auditors annually

ON BEHALF OF THE BOARD

Director

Date 30th June 2008.

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF DAVIS CORPORATE RISKS LIMITED

We have audited the financial statements of Davis Corporate Risks Limited for the year 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 The financial statements of the Company as of 31 December 2006, were audited by another auditor whose report dated 5 April 2007, expressed an unqualified opinion on those statements

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

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 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

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
London

Date 7 July 2008

DAVIS CORPORATE RISKS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2007

	Notes	2007 £	2006 £
TURNOVER	2	**3,171,265**	2,804,818
Administrative expenses		**(2,568,087)**	(2,423,863)
OPERATING PROFIT	4	**603,178**	380,955
Interest receivable and similar income		**58,954**	50,578
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**662,132**	431,533
Tax on profit on ordinary activities	5	**(199,944)**	(131,229)
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		**462,188**	300,304

CONTINUING OPERATIONS
None of the company's activities were discontinued during the current year or previous year Business acquired during the year contributed Turnover and Operating Profit of £133,000 and £25,000 respectively

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current year or previous year

The notes form part of these financial statements

DAVIS CORPORATE RISKS LIMITED

BALANCE SHEET
31 DECEMBER 2007

	Notes	2007 £	2007 £	2006 £	2006 £
FIXED ASSETS					
Intangible assets	7		-		15,228
Tangible assets	8		62,723		100,025
			62,723		115,253
CURRENT ASSETS					
Debtors	9	2,028,586		1,569,611	
Cash at bank	10	853,423		808,314	
		2,882,009		2,377,925	
CREDITORS					
Amounts falling due within one year	11	(2,218,860)		(1,979,494)	
NET CURRENT ASSETS			663,149		398,431
TOTAL ASSETS LESS CURRENT LIABILITIES			725,872		513,684
CAPITAL AND RESERVES					
Called up share capital	13		1,000		1,000
Profit and loss account	14		724,872		512,684
SHAREHOLDERS' FUNDS	15		725,872		513,684

The financial statements were approved by the Board of Directors on 30th June 2008 and were signed on its behalf by

Director

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared in accordance with applicable United Kingdom accounting standards (United Kingdom Generally Accepted Accounting Practice) and under the historical cost convention

The Company is a wholly-owned subsidiary undertaking and its immediate parent undertaking is established under UK law and therefore, in accordance with section 228 of the Companies Act 1985, it has not prepared consolidated accounts for the year ended 31 December 2007

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 AXA group financial statements which can be obtained from 23, avenue Matignon, 75008 Paris, France

Turnover
Turnover represents brokerage and fees which are recognised in the profit and loss account at the inception of the contract for insurance

Where the company receives revenue which is related to the underlying underwriting profit on policies written or sold, this is only recognised in the year in which the right to the consideration is achieved and the final amount can be reliably measured

Amortisation
Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Goodwill	-	20% straight line basis

Fixed assets
All fixed assets are initially recorded at cost

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Leasehold property	-	33% straight line basis
Fixtures and fittings	-	20% - 33% straight line basis
Motor vehicles	-	25% straight line basis

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

Pension costs
The company operates a defined contribution pension scheme for employees The assets of the scheme are held separately from those of the company in an independently administered fund The annual contributions payable are charges to the profit and loss account

 continued

1 ACCOUNTING POLICIES - continued

Deferred tax

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 obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of 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

Foreign currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction Exchange differences are taken into account in arriving at the operating result

Insurance broking assets and liabilities

The company acts as an agent in broking the insurable risks of its clients and generally is not liable as a principal for premiums due to underwriters or for claims payable to clients

Notwithstanding the company's legal relationship with clients and underwriters and since in practice premium and claim monies are usually accounted for by insurance intermediaries, it has followed generally accepted accounting practice by showing cash, debtors and creditors relating to insurance business as assets and liabilities of the company itself

2 TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company

An analysis of turnover by geographical market is given below

	2007	2006
	£	£
United Kingdom	3,171,265	2,804,818
	3,171,265	2,804,818

3 STAFF COSTS

	2007	2006
	£	£
Wages and salaries	1,370,209	1,369,690
Social security costs	144,715	141,626
Other pension costs	60,816	60,762
	1,575,740	1,572,078

The average monthly number of employees during the year was as follows

	2007	2006
Account executives	38	39
Administration	8	13
	46	52

continued

4 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2007	2006
	£	£
Amortisation	15,228	4,708
Depreciation of owned assets	39,580	44,121
Loss/(profit) on disposal of fixed assets	521	(1,443)
Auditors' remuneration		
Audit fees	8,000	9,840
Other operating leases		
Land and buildings	93,769	88,575
Foreign exchange differences	2,815	-

Remuneration in respect of directors was as follows

	2007	2006
Directors' emoluments including benefits in kind	251,844	187,415
Directors' pension contributions to money purchase schemes	12,388	9,700
	264,232	197,115

The number of directors to whom retirement benefits were accruing was as follows

	2007	2006
Money purchase schemes	3	2

Information regarding the highest paid director for the year ended 31 December 2007 was as follows

	2007	2006
	£	£
Directors' emoluments including benefits in kind	132,289	107,253
Directors' pension contributions to money purchase schemes	7,200	7,200
	139,489	114,453

continued

5 TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2007 £	2006 £
Current tax		
In respect of the year		
UK corporation tax based on the results for the year at 30% (2006 30%)	213,030	131,183
Total current tax (note 5(b))	213,030	131,183
Deferred tax		
Origination and reversal of timing differences (note 9)	(13,086)	46
Tax on profit on ordinary activities	199,944	131,229

(b) Factors affecting the current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2006 30%) The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	662,132	431,533
Profit on ordinary activities multiplied by the standard rate of tax in the UK of 30% (2006 30%) – expected charge	198,640	129,460
Expenses not deductible for tax purposes	10,885	818
Depreciation in excess of capital allowances	4,107	2,196
Other timing differences	387	(1,291)
Adjustment to tax charge in respect of previous periods	(989)	-
Total current tax (note 5(a))	213,030	131,183

6 DIVIDENDS

Dividends on shares classed as equity

	2007 £	2006 £
Paid during the year		
Equity dividends on ordinary shares at £250 per share (2006 £200 per share)	250,000	200,000

continued

7 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2007 and 31 December 2007	22,539
AMORTISATION	
At 1 January 2007	7,311
Charge for the year	15,228
At 31 December 2007	22,539
NET BOOK VALUE	
At 31 December 2007	-
At 31 December 2006	15,228

The amortisation of this goodwill has been accelerated in the year

8 TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2007	3,143	163,169	71,121	237,433
Additions	-	2,345	-	2,345
Disposals	-	(37,786)	-	(37,786)
Transfer from group company	-	1,428	-	1,428
At 31 December 2007	3,143	129,156	71,121	203,420
DEPRECIATION				
At 1 January 2007	2,357	121,715	13,336	137,408
Charge for year	786	21,014	17,780	39,580
Eliminated on disposal	-	(37,264)	-	(37,264)
Transfer from group company	-	973	-	973
At 31 December 2007	3,143	106,438	31,116	140,697
NET BOOK VALUE				
At 31 December 2007	-	22,718	40,005	62,723
At 31 December 2006	786	41,454	57,785	100,025

 continued

9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade debtors (insurance related debtors)	1,752,326	1,440,682
Amounts owed by group undertakings	-	184
Deferred tax asset (see below)	18,413	5,327
Prepayments and accrued income	257,847	123,418
	2,028,586	1,569,611

The movement in the deferred taxation account during the year was

	2007	2006
Balance brought forward	5,327	5,373
Profit and loss account movement arising during the year (note 5 (a))	13,086	(46)
Balance carried forward	18,413	5,327

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of

	2007	2006
	£	£
Excess of depreciation over taxation allowances on fixed assets	5,327	5,373
Other short term timing differences	13,086	(46)
	18,413	5,327

During the year, as a result of the change in the UK Corporation Tax rate from 30% to 28% which will be effective from 1 April 2008, deferred tax balances have been re-measured This has resulted in a debit to the profit and loss account of £1,315 (2006 £Nil)

10 INSURANCE BROKING CASH

Monies held in client money bank accounts and forming part of the cash balance reported in the balance sheet at 31 December 2007 amounted to £428,001 (2006 £654,623)

11 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007	2006
	£	£
Trade creditors	1,790,860	1,740,524
Amounts owed to group undertakings	55,064	54,385
Tax	174,021	51,185
Social security and other taxes	39,786	40,607
Accruals and deferred income	159,129	92,793
	2,218,860	1,979,494

Included in trade creditors is an amount of £1,788,094 (2006 £1,736,125) in relation to insurance company creditors

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Land and buildings	
	2007	2006
	£	£
Expiring		
Within one year	78,000	88,575

continued

13 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

Number	Class	Nominal value	2007 £	2006 £
1,000	Ordinary shares	£1	1,000	1,000

14 RESERVES

	Profit and loss account £
At 1 January 2007	512,684
Profit for the year	462,188
Dividends	(250,000)
At 31 December 2007	724,872

15 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Profit for the financial year	462,188	300,304
Dividends	(250,000)	(200,000)
Net addition to shareholders' funds	212,188	100,304
Opening shareholders' funds	513,684	413,380
Closing shareholders' funds	725,872	513,684

16 PENSION COMMITMENTS

The company operates a defined contribution pension scheme for employees The assets of the scheme are held separate from those of the company in an independently administered fund The pension charge for the year represents contributions payable by the company to the fund and amounted to £60,816 (2006 £60,762) At December 2007 there were no outstanding or prepaid pension contributions (2006 £Nil)

17 ULTIMATE PARENT COMPANY

In the opinion of the directors, the Company's ultimate parent undertaking 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

The immediate parent company is The Davis Group plc

18 RELATED PARTY DISCLOSURES

As the Company is a wholly-owned subsidiary undertaking it has taken advantage of the exemption granted under FRS 8 (Related Party Disclosures) where subsidiary undertakings do not have to disclose transactions with group companies qualifying as related parties provided that consolidated financial statements are publicly available

During the year charitable donations of £9,000 (2006 £7,700) were payable to The Davis Group Charitable Trust At 31 December 2007 the full amount of £9,000 (2006 £7,700) was an outstanding creditor to this body

19 ACQUISTION

During the year the company acquired the net assets (amounting to £455) and trade of Davis Specialist Risks Limited for £455