DAVIS CORPORATE RISKS LIMITED

REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2008

(Company Registration Number: 4901317)

DAVIS CORPORATE RISKS LIMITED

CONTENTS **31 DECEMBER 2008**

DAVIS CORPORATE RISKS LIMITED

OFFICERS AND PROFESSIONAL ADVISERS — 31 DECEMBER 2008

DIRECTORS

LG Davis Smart	(resigned 15 December 2008)
HL Davis Flynn	(resigned 15 December 2008)
ARC Gardiner	(resigned 15 December 2008)
KJ Hancock	(resigned 15 December 2008)
IS Richardson	
ML Turnbull	(resigned 15 December 2008)
SJ Field	(resigned 2 October 2008)
PF Bridges	(resigned 15 December 2008)
AK Parsons	(appointed 5 March 2009)
GM Coates	(appointed 17 December 2008)
JA Bean	(appointed 5 March 2009)
IG Story	(appointed 1 July 2008)
SC Reid	(appointed 1 July 2008)
DM Druckman	(appointed 17 December 2008)
S Hooper	(appointed 17 December 2008, resigned 31 January 2009)

SECRETARY

RW Proctor	(resigned 17 October 2008)
LM McDonnell	(appointed 17 October 2008)

REGISTERED OFFICE

5 Old Broad Street
London
EC2N 1AD

BANKERS

Barclays Bank Plc
Mortlock House
Vision Park
Histon
Cambridgeshire
CB24 9DE

SOLICITORS

Pinsent Masons
1 Park Row
Leeds
LS1 5AB

AUDITORS

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

DIRECTORS' REPORT 31 DECEMBER 2008

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

PRINCIPAL ACTIVITIES

On 31 December 2008, the trade, assets and liabilities of the company (with the exception of the insurance broking bank accounts and related liabilities) were transferred to Bluefin Insurance Services Limited. Following the run off of the insurance broking accounts, the company will become dormant.

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

Revenue increased in the period by £713,645 to £3,884,910 (compared to an increase of £366,447 in the corresponding prior twelve month period).

The profit for the year before taxation amounted to £1,242,476 (2007: £662,132).

Net assets increased from £725,873 to £1,609,493 over the year.

DIVIDENDS

No dividend was paid or proposed in the current year (2007: £250,000).

DIRECTORS

The directors who have served at any time since 1 January 2008 are shown on page 1.

Directors & Officers insurance has been maintained throughout the year.

ENVIRONMENT

As the company operates in the financial services sector, its actions do not have a significant environmental impact. However the company does recognise the importance of the environment, and acts to minimise its impact on the environment wherever it can, including recycling and reducing energy consumption.

CHARITABLE CONTRIBUTIONS

During the year the company made charitable donations of £13,070 (2007: £9,434), principally to local charities serving the communities in which the company operates.

PRINCIPAL RISKS AND UNCERTAINTIES

The insurance market in the UK remains very soft and in a continuing cyclical downturn, which could result in reduced revenues. The company manages this risk by securing increased rates and improved terms with the major insurers and by winning new business from competitors, in order to protect our income, whilst maintaining strong relationships with both customers and the insurers.

The key regulations which affect the company are those set by the Financial Services Authority (FSA). The company monitors developments in the regulatory environment so that it can be aware of any changes, and act in a timely and efficient manner in order to comply with any new regulations. The company invests a significant amount of time and resource in this area, including members of the senior managemnet team attending joint sessions between the industry and the FSA on hot topics.

The company manages its credit risk by ensuring that it receives cash from its clients in respect of premiums before paying on those premiums to insurers.

Operational risk is managed by management who assess the risks which are faced by the company and then formulate an appropriate plan of action in order to address and mitigate these risks. The Board then oversee and monitor the operational risk management.

No other key performance indicators are considered necessary by the directors for an understanding of the company development, performance or position, other than those referred to above in the Review of Business section.

EMPLOYEE CONSULTATION

The company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal meetings and the company's intranet. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

DISABLED EMPLOYEES

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each of the directors at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

- the director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

DAVIS CORPORATE RISKS LIMITED

AUDITORS

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution that they will be reappointed will be proposed at the annual general meeting.

Approved by the Board of Directors
and signed on behalf of the Board

IG Story
Director

Date 31 July 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES — 31 DECEMBER 2008

The directors are responsible for preparing the Annual 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 elected to prepare 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 the 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 UK 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 that they have complied with the above requirements in preparing the financial statements.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAVIS CORPORATE RISKS LIMITED

We have audited the financial statements of Davis Corporate Risks Limited for the period ended 31 December 2008 which comprise the profit and loss account, the balance sheet, and the accounting policies and the related notes. These financial statements have been prepared under the accounting policies set out therein.

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 Statements 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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Statement of Directors' Responsibilities and all of the other information listed on the officers and professional advisers page. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DAVIS CORPORATE RISKS LIMITED (CONTINUED)

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 period 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
Chartered Accountants and Registered Auditors
London
Date
31 July 2009

DAVIS CORPORATE RISKS LIMITED

PROFIT & LOSS ACCOUNT — 31 DECEMBER 2008

	Note	2008 £ Discontinued	2007 £ Discontinued
TURNOVER	1	3,884,910	3,171,265
Administrative expenses		(2,717,573)	(2,568,087)
Operating profit	3	1,167,337	603,178
Interest receivable and similar income	4	75,139	58,954
Profit on ordinary activities before taxation		1,242,476	662,132
Tax on profit on ordinary activities	5	(358,855)	(199,944)
Retained profit for the year	14	883,621	462,188

All of the company's activities were discontinued during the current year due to the sale of the business.

The company has no recognised gains and losses other than the profits for the current year or the previous year.

There are no material differences between the loss on ordinary activities before taxation and their historical cost equivalents.

DAVIS CORPORATE RISKS LIMITED

BALANCE SHEET

31 DECEMBER 2008

	Note	2008 £	2007 £
Fixed assets			
Tangible assets	7	-	62,723
		-	62,723
Current assets			
Debtors	8	1,609,493	2,028,586
Cash at bank and in hand	10	518,021	853,423
		2,127,514	2,882,009
Creditors: amounts falling due within one year	11	(518,021)	(2,218,860)
Net current assets		1,609,493	663,149
Total assets less current liabilities		1,609,493	725,872
Capital & reserves			
Called-up share capital	13	1,000	1,000
Profit and loss account	14	1,608,493	724,872
Total equity shareholders' funds	15	1,609,493	725,872

These financial statements were approved by the Board of Directors on 31 July 2009.
Signed on behalf of the Board of Directors

IG Story
Director

Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets and in accordance with the Companies Act 1985 and applicable United Kingdom accounting standards. The principal accounting policies are set out below.

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.

Tangible fixed assets

All fixed assets are initially recorded at cost.

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.

During the year, the company changed its depreciation policy to align its policies with those of the Bluefin group. The effect of the change in policy is a credit of £13,440 to the profit and loss account for the year. Assets are depreciated as follows:

Computer equipment	20% straight line basis
Fixtures, fittings and office equipment	15% straight line basis
Motor vehicles	25% reducing balance basis

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.

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 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 in an 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.

Operating lease agreements

Rentals in respect of operating leases are charged to the profit & loss account in equal annual amounts over the lease term.

Turnover

Turnover represents commissions and fees earned in the period net of discounts and allowances and is accounted for as earned when the policy is incepted.

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 for 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.

1. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the company, and are wholly derived in the UK.

2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2008	2007
	£	£
Directors' remuneration		
Emoluments inclusive of benefits in kind	255,231	251,844
Pension contributions	13,975	12,388
	269,206	264,232
Emoluments of highest paid director	111,276	132,289
Pension contributions of highest paid director	7,200	7,200

	2008	2007
	No.	No.
The number of directors for whom the company has made pension contributions:		
Defined contribution scheme	3	3

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

	2008	2007
	No.	No.
Accounts executives	37	38
Administration	9	8
	46	46

	2008	2007
	£	£
Staff costs during the year (including directors, excluding benefits in kind)		
Wages and salaries	1,401,248	1,370,209
Social security costs	147,784	144,715
Pension costs	63,699	60,816
	1,612,731	1,575,740

3. OPERATING PROFIT

	2008 £	2007 £
Operating profit is stated after charging:		
Depreciation - Owned Assets	15,793	39,580
Amortisation of Goodwill	-	15,228
Operating Lease Rentals - Land & Buildings	88,800	93,769
Foreign exchange differences	-	2,815
Auditors' Remuneration	11,000	8,000
Loss on sale of Tangible Assets	-	521

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008 £	2007 £
Interest- Business accounts	38,990	17,701
Interest- Client money accounts	36,149	41,253
	75,139	58,954

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2008 £	2007 £
Current tax:		
UK tax based on the profit for the year at 28.5% (2007: 30%)	341,542	214,019
Adjustment to tax charge in respect of previous periods	4,471	(989)
	346,013	213,030
Deferred tax – timing differences	12,842	(13,086)
	358,855	199,944

The standard effective rate of current tax for the year, based on the UK standard rate of corporation tax is 28.5% (31 December 2007: 30%). The current tax charge for the year is less than 28.5% (31 December 2007: 30%) for the reasons set out in the following reconciliation:

	2008	2007
Profit on ordinary activities before tax	1,242,476	662,132
Tax on profit on ordinary activities at standard rate	354,106	198,640
Factors affecting charge:		
Expenses not deductible	1,229	10,885
Depreciation in excess of/ lower than capital allowances	(1,830)	4,107
Short term timing differences	(11,963)	387
Current tax charge for the period/year	341,542	214,019

6. INTANGIBLE FIXED ASSETS

	2008	2007
	£	£
Cost		
At 1 January and 31 December	22,539	22,539
Amortisation		
At 1 January	22,539	7,311
Charge for the year	-	15,228
At 31 December	22,539	22,539
Net book value		
At 31 December	-	-

7. TANGIBLE ASSETS

	Short leasehold property	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost or Valuation				
At 1 January 2008	3,143	129,156	71,121	203,420
Additions	-	1,564	-	1,564
Disposals	(3,143)	(5,087)	-	(8,230)
Amounts transferred to fellow subsidiary undertakings	-	(125,633)	(71,121)	(196,754)
At 31 December 2008	-	-	-	-
Depreciation				
At 1 January 2008	3,143	106,438	31,116	140,697
Charge	-	7,484	8,309	15,793
Disposals	(3,143)	(5,087)	-	(8,230)
Amounts transferred to fellow subsidiary undertakings	-	(108,835)	(39,425)	(148,260)
At 31 December 2008	-	-	-	-
Net book value				
At 31 December 2008	-	-	-	-
At 31 December 2007	-	22,718	40,005	62,723

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2008	2007
	£	£
Trade debtors (insurance related debtors)	-	1,752,326
Deferred tax asset	-	18,413
Amounts owed from parent and fellow subsidiary undertakings	1,609,493	-
Prepayments and accrued income	-	257,847
	1,609,493	2,028,586

Amounts owed by group undertakings are unsecured, interest free, and have no fixed dated repayment.

9. DEFERRED TAX

The movement in the deferred taxation account during the year was:

Balance brought forward	18,413	5,327
Profit and loss account movement arising in the year (note 5)	(12,842)	13,086
Amounts transferred to fellow subsidiary undertakings	(5,571)	-
Balance carried forward	-	18,413

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

	2008	2007
	£	£
Excess of depreciation over taxation allowances on fixed assets	5,571	7,024
Other short term timing differences	-	11,389
Amounts transferred to fellow subsidiary undertakings	(5,571)	-
	-	18,413

10. CASH AT BANK AND IN HAND

	2008 £	2007 £
Insurance broking accounts	518,021	428,001
Office accounts	-	425,061
Cash accounts	-	361
	518,021	853,423

The insurance broking accounts represents client money due for payment to insurance companies.

11. CREDITORS: amounts falling due within one year

	2008 £	2007 £
Trade creditors:		
Insurance broking accounts	518,021	1,788,094
Other	-	2,766
Amounts owed to group undertakings	-	55,064
Corporation tax	-	174,021
Other taxes and social security	-	39,786
Accruals and deferred income	-	159,129
	518,021	2,218,860

12. OPERATING LEASE COMMITMENTS

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

	Land and buildings	
	2008 £	2007 £
Expiring:		
Within one year	-	78,000

13. CALLED-UP SHARE CAPITAL

	2008		2007	
	No.	£	No.	£
Authorised:				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
Allotted, called-up and fully-paid:				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000

14. RESERVES

	Profit and loss account 2008 £
At 1 January 2008	724,872
Profit for the year	883,621
At 31 December 2008	1,608,493

15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	2007 £
Profit for the financial year	883,621	462,188
Dividends	-	(250,000)
Net addition to shareholders' funds	883,621	212,188
Opening shareholders' funds	725,872	513,684
Closing shareholders' funds	1,609,493	725,872

16. PENSION COMMITMENTS

The company operates a defined contribution 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 £63,699 (2007: £60,816). At 31 December 2008, there were no outstanding prepaid pension contributions (2007: £Nil).

17. ULTIMATE PARENT COMPANY

The immediate parent company is The Davis Group Plc.

In the opinion of the directors, the Company's ultimate parent undertaking is AXA SA, 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 SA. Copies of the AXA SA group financial statements can be obtained from 23, Avenue Matignon, 75008 Paris, France.

18. RELATED PARTY DISCLOSURES

As the Company is a wholly owned subsidiary undertaking, it has taken advantage of the exemption granted under FRS8 (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 £12,500 (2007: £9,000) were paid to The Davis Group Charitable Trust. At 31 December 2008, £nil (2007: £9,000) was an outstanding creditor to this body.