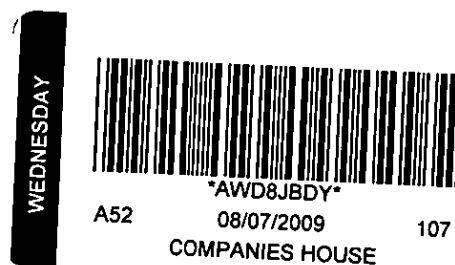


Registered Number 3116678

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

Directors' Report and Financial Statements

for the year ended 31 December 2008



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

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

P. J. Evans
M. J. Kellard
F. de Ménéval
A. J. Purvis
I. Robinson

COMPANY SECRETARY

J. P. Small

AUDITORS

PricewaterhouseCoopers LLP

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

DIRECTORS' REPORT

The directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2008.

PRINCIPAL ACTIVITY

The Company's principal activity is that of a holding company.

REVIEW OF ACTIVITIES

The Company operated as a holding company throughout the financial year. There were no acquisitions or disposals of investments in subsidiary undertakings during the year.

BUSINESS REVIEW

Business environment

The Winterthur UK Financial Services Group ("WUKFSG") of companies' principal business is the transaction of insurance business (i.e. life insurance, investment products and pensions) in the United Kingdom. The life and savings market is a highly regulated mature market with distribution largely through third party intermediaries, characterised by high levels of competition leading to lower than average shareholder returns.

Through its subsidiary holding companies, the Company is the parent company of Winterthur Life UK Limited ("WLUK") and Winterthur Financial Services UK Limited ("WFS").

WLUK transacts long-term insurance business and associated investment activities in the United Kingdom. The turbulence in the global equity market and widening credit spreads has negatively impacted the capital resources of the companies across the insurance industry. The directors continue to monitor the situation and take action when appropriate.

WFS acts as the employing company within the WUKFSG of companies and as the paymaster for all management expenses, for which it makes a recharge to other group undertakings as appropriate. WFS also holds fixed assets for which it makes a lease charge to the companies utilising those assets. The principal user of these services is WLUK.

WFS is the principal employer of the WLUK Staff Pension Scheme.

Clients

WLUK targets both individual and corporate clients. WLUK's individual clients are concentrated in higher socio-economic groups, typically looking to consolidate their assets into pension policies prior to retirement and those wishing to keep their assets invested post retirement. Group Personal Pension contracts are offered to corporate clients who wish to offer pension schemes to their staff.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

BUSINESS REVIEW (CONTINUED)

Products

WLUK offers a range of specialist long-term insurance products. Investment bonds provide packaged investment solutions to individuals in a tax efficient life insurance wrapper. Individual and group pensions offer packaged investment vehicles for individuals to save towards retirement. Unsecured and Alternatively Secured Pensions offer packaged investment vehicles for individuals to keep their assets invested whilst also providing an income when in retirement.

A key feature of the Winterthur Life approach to pensions is the use of external fund managers. The Tailored Selection offers a choice of over 100 carefully selected funds from over 30 fund managers. Winterthur Life also offers the Elite Fund of Funds Range, 4 risk-rated managed funds to cater for different attitudes to risk and 6 sector funds that can form the core of a client's portfolio. The Winterthur Elite Funds, available to pension and investment bond investors, combine the skills of leading investment managers within a fund of funds structure.

Distribution

WLUK's distribution is concentrated in the independent financial adviser/whole of market adviser distribution channel and employee benefit consultants.

BUSINESS PERFORMANCE

The Company's profit for the year after taxation, as shown in the Profit and Loss account on page 9 of the financial statements, amounted to £0.04m (2007: loss of £0.9m).

DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 December 2008 (2007: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

A description of the key business risks affecting the Company are set out below.

Competitive environment

The key business risks and uncertainties affecting the Company are considered to relate to the volatility of the personal pension market as a whole.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

Financial risk

The Company is exposed to financial risk through its business operations affecting the financial assets and liabilities. The most important component of this risk for the Company is non-investment credit risk in respect of balances due.

The Company is part of the AXA UK Group which has established a group wide financial risk management framework and associated set of policies. These are designed primarily to ensure that financial risks are adequately controlled and monitored for the insurance group through Risk Committees advising the Group Chief Executive and individual business unit Chief Executives.

There are no current or forecasted transactions for which hedge accounting is used.

Credit risk

Non-investment credit risk arises from the exposure of the Company to intra-group debts with other companies in the AXA UK Group and from debts due from third parties. The risk in respect of these debts is controlled through ongoing monitoring of amounts due.

FUTURE OUTLOOK

No change in the activities of the Company is planned for the foreseeable future.

DIRECTORS

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

Mr. P. L. H. Maso y Guell Rivet and Mr. A. M. Parsons resigned as directors of the Company on 11 April 2008.

Mr. D. E. Hynam resigned as a director of the Company on 11 June 2008.

Mr. I Robinson was appointed as a director of the Company on 18 June 2008.

EXERCISE OF DIRECTORS' AXA SA OPTIONS

None of the Company's directors exercised share options during the year (2007: 2).

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.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

PAYMENT OF CREDITORS

All trade purchases are dealt with through WFS, and AXA Sun Life Services Plc.

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

The following statement is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the financial statements.

The responsibilities of the auditors are set out in the auditors' report.

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 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; 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 confirm that it is appropriate to presume the company will continue in business and consequently the financial statements have been prepared on a going concern basis.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

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.

By Order of the Board



A. J. Purvis
Director
3 July 2009

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

We have audited the financial statements of Winterthur UK Financial Services Group Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholders' Funds, the Balance Sheet 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 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 the 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 and the Company Information. 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.

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 judgments 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.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

AUDITORS' REPORT (CONTINUED)

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.

PricewaterhouseCoopers

PricewaterhouseCoopers LLP
Chartered Accountants and Registered Auditors
London, United Kingdom
6 July 2009

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2008**

	Note	2008 £000	2007 £000
Administrative expenses		-	(1,906)
Operating loss		-	(1,906)
Interest receivable and similar income	2	49	563
Profit /(loss) on ordinary activities before taxation	3	49	(1,343)
Tax on profit / (loss) on ordinary activities	4	(14)	403
Profit / (loss) for the financial year		35	(940)

All of the above amounts are in respect of continuing operations.

The Company has no recognised gains or losses other than those included in the profit and loss account.

There are no differences between the loss on ordinary activities before taxation and the retained loss for the financial year stated above and their historical cost equivalents.

The information on pages 12 to 16 forms an integral part of these financial statements.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED
RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2008

	2008 £000	2007 £000
Profit / (loss) for the financial year	35	(940)
Total shareholders' funds at 1 January	<u>469,161</u>	<u>470,101</u>
Total shareholders' funds at 31 December	<u>469,196</u>	<u>469,161</u>

The information on pages 12 to 16 forms an integral part of these financial statements.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

BALANCE SHEET AS AT 31 DECEMBER 2008

	Note	2008 £000	2007 £000
Fixed assets			
Investments in group undertakings	7	<u>424,479</u>	<u>424,479</u>
Current assets			
Debtors	8	<u>43,639</u>	<u>44,043</u>
Cash at bank and in hand		<u>1,092</u>	<u>2,545</u>
		<u>44,731</u>	<u>46,588</u>
Creditors: amounts falling due within one year	9	<u>(14)</u>	<u>(1,906)</u>
Net current assets		<u>44,717</u>	<u>44,682</u>
Net assets		<u><u>469,196</u></u>	<u><u>469,161</u></u>
Capital and reserves			
Called up share capital attributable to equity interests	10	<u>1</u>	<u>1</u>
Share premium account	11	<u>299,999</u>	<u>299,999</u>
Other reserves	11	<u>389,218</u>	<u>389,218</u>
Profit and loss account	11	<u>(220,022)</u>	<u>(220,057)</u>
Shareholders' funds		<u><u>469,196</u></u>	<u><u>469,161</u></u>

The financial statements were approved by the Board of directors on 3 July 2009 and were signed on its behalf by:



A. J. Purvis
Director

The information on pages 12 to 16 forms an integral part of these financial statements.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies are set out below.

Basis of presentation

The financial statements are prepared under the historical cost convention and in accordance with the Companies Act 1985 and applicable accounting standards.

The Company has taken advantage of Section 228 of the Companies Act 1985 and has not produced consolidated financial statements on the basis that it is a subsidiary undertaking of AXA SA which prepares consolidated financial statements and is established under the laws of a European Economic Area state.

Under Financial Reporting Standard 1, 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, including a cash flow statement dealing with the cash flows of the Group.

Taxation

The charge for taxation is based on the profit 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 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 calculated using rates substantively enacted at the balance sheet date.

Deferred tax assets are only recognised to the extent that they are expected to be recoverable. A deferred tax asset has been recognised as recoverable against forecast future taxable profits in other group companies.

Investments

Investments in subsidiary undertakings are included in the balance sheet at cost unless their value has been permanently impaired, in which case they are valued at their realisable value or value in use as appropriate.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. INTEREST RECEIVABLE AND SIMILAR INCOME

	2008	2007
	£000	£000
Interest from cash on deposit	<u>49</u>	<u>563</u>

3. AUDITORS' REMUNERATION

Auditors' remuneration in respect of audit fees for 2008 was borne by WFS, a fellow group company.

4. TAX ON PROFIT / (LOSS) ON ORDINARY ACTIVITIES

	2008	2007
	£000	£000
Current tax:		
UK corporation tax (charge) / credit on income for the current year	<u>(14)</u>	<u>403</u>

Factors affecting the tax charge

The tax assessed for the year is equal to (2007: equal to) the standard rate of corporation tax in the UK of 28.5% (2007: 30%).

5. EMPLOYEE NUMBERS AND COSTS

The Company does not employ directly any staff. All staff are employed by other group undertakings.

The costs of staff are borne by WFS. Staff costs are disclosed in the accounts of WFS.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

6. DIRECTORS' EMOLUMENTS

The directors are employed and paid by companies in the AXA group and their directorships are held as part of that employment. The directors did not receive any emoluments or other benefits from the Company or from any other companies in the AXA group in respect of services to the Company in the current year.

No emoluments were paid to the directors of the Company in respect of their services to the group in the current year. The prior year comparatives were:

	2008 £'000	2007 £'000
Other emoluments	-	927
Excess retirement benefits to former directors	-	84
	<u>-</u>	<u>1,011</u>

Three directors in the prior year were covered by defined benefits pension arrangements.

In the prior year the emoluments, excluding pension contributions, of the highest paid director were £670,905 and the amount of his accrued pension at the end of the year was £35,044 per annum. The emoluments of Mr. M. J. Kellard, Mrs. K. M. Isherwood and Mr. D. M. Brown in respect of their services to the group were £927,274.

P. J. Evans, Mr. F. de Méneval, Mr. P. L. H. Maso y Guell Rivet and Mr. I. Robinson were also directors of the intermediate parent company, AXA UK Plc, during the year and their emoluments, which relate to their services to the AXA group as a whole, are disclosed in the financial statements of that company.

Mr. D. E. Hynam, Mr. M. J. Kellard and Mr. A. J. Purvis were also directors of AXA Sun Life Holdings Plc and their emoluments, which relate to their services to the AXA group as a whole, are disclosed in the financial statements of that company.

Mr. A. M. Parsons was also a director of Bluefin Group Limited and his emoluments, which relate to his services to the AXA group as a whole, are disclosed in the financial statements of that company.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. INVESTMENTS IN GROUP UNDERTAKINGS

Investments in group undertakings are:

	2008 £000	2007 £000
Shares in group undertakings		
Balance at 1 January and 31 December	<u>345,374</u>	<u>345,374</u>
Capital contributions to group undertakings net of previous provision		
At 1 January	79,105	53,000
Additions	-	26,105
At 31 December	<u>79,105</u>	<u>79,105</u>
Investments in group undertakings at 31 December	<u>424,479</u>	<u>424,479</u>

At 31 December 2008 the Company owned the whole of the issued ordinary share capital of the following group undertakings, all of which are incorporated in Great Britain and registered in England and Wales:

Name	Nature of business
Winterthur Life UK Holdings Limited	Holding company
Winterthur Financial Services UK Holdings Limited	Holding company

8. DEBTORS

	2008 £000	2007 £000
Loans to group undertakings	43,639	43,639
Amounts owed by other group undertakings – re taxation	-	403
Accrued income	-	1
	<u>43,639</u>	<u>44,043</u>

9. CREDITORS

	2008 £000	2007 £000
Amounts falling due within one year:		
Amounts due to other group undertakings – re taxation	14	-
Amounts due to other group undertakings – other	-	1,906
	<u>14</u>	<u>1,906</u>

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

10. CALLED UP SHARE CAPITAL

	2008 £000	2007 £000
Authorised:		
100,000,000 ordinary shares of £1 each	100,000	100,000
400,000,000 redeemable shares of £1 each	400,000	400,000
	<u>500,000</u>	<u>500,000</u>
Allotted and fully paid:		
1,002 ordinary shares of £1 each (2007: 1,002)	<u>1</u>	<u>1</u>

11. RECONCILIATION OF MOVEMENT IN RESERVES

	Share premium account £000	Capital contribution £000	Profit & loss account £000	Total £000
Balance at 1 January 2008	299,999	389,218	(220,057)	469,160
Profit / (loss) for the financial year	-	-	35	35
Balance at 31 December 2008	<u>299,999</u>	<u>389,218</u>	<u>(220,022)</u>	<u>469,195</u>

12. RELATED PARTY TRANSACTIONS

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

13. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company is an immediate subsidiary of AXA Sun Life Holdings Plc, 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 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. Copies of the AXA Group financial statements can be obtained from 23, avenue Matignon, 75008 Paris, France.