

Registered Number 03116678

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

Financial Statements

for the year ended 31 December 2013



Registered Office 5 Old Broad Street, London EC2N 1AD

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

COMPANY INFORMATION

DIRECTORS

D R Cheeseman
N J Elphick
M J Kellard
A J Purvis
D M Thompson

COMPANY SECRETARY

J P Small

INDEPENDENT AUDITORS

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

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

STRATEGIC REPORT

The directors present their Strategic Report on Winterthur UK Financial Services Group Limited ("the Company") for the year ended 31 December 2013

REVIEW OF THE BUSINESS

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

Results and performance

In order to support the strategic activities of the Company and its subsidiaries, a number of capital transactions were made during the year:

- The Company received capital contributions of £5.0 million and £8.0 million from AXA UK plc on the 27 June 2013 and 13 December 2013 respectively, and
- The Company made capital contributions of £5.0 million and £8.7 million to Winterthur Life UK Holdings Limited ("WLUKH") on 27 June 2013 and 13 December 2013 respectively

Business environment

The life and savings market in the UK is a highly regulated mature market with distribution largely through third party intermediaries

The Company is the parent company of AXA Wealth Limited ("AWL"), AXA Wealth Services Limited ("AWS") and Winterthur Financial Services UK Limited ("WFS")

- AWL is the primary provider of pension and investment products
- WFS is the employing company within the group of companies headed by the Company and is the paymaster for 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 AWL.
- WFS is a principal employer that participates in the AXA UK Staff Pension Scheme
- AWS is a distributor of specific AXA Wealth products, and fulfils trustee responsibilities for AXA Wealth pension schemes

Strategy

The AXA UK strategy is based on a number of building blocks, which are used to further develop existing competitive advantage in order to achieve the goals within each business area. This has been mapped with the AXA Group global strategy, of being the preferred company for customers, employees and shareholders.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

Key performance indicators (“KPIs”)

The Board monitors the Company by reference to the profit and loss account, which discloses the profit for the current year after taxation at £2,000 (2012 £24,000), this relates to interest received on cash investments

PRINCIPAL RISKS AND UNCERTAINTIES

The AXA UK Group has an established process for risk acceptance and risk management, which is addressed through a framework of policies, procedures and internal controls. All policies are subject to ongoing review by management, risk management and group internal audit. Compliance with regulation, legal and ethical standards is a high priority for the Company and the compliance and finance teams take on an important oversight role in this regard. Line management is responsible for maintaining an internal control framework to manage financial and operational risks, which is monitored regularly to ensure the completeness, accuracy and integrity of the Company’s financial information.

The principal risks from the general insurance business arise mainly from events outside of the Company’s control, such as fluctuations in the timing, frequency and severity of claims compared to expectations. Underwriting and reinsurance strategies may also give rise to risk and uncertainty through inaccurate pricing, inadequate reinsurance protection and inadequate reserving, these are largely within management’s control and strategies are communicated clearly throughout the business through policy statements and guidelines.

Financial risk management, including the impact of risk on economic capital, is discussed in the management of financial risk note set out on pages 13 to 15 of the financial statements.

FUTURE DEVELOPMENTS

It is the intention of the Company in 2014, to restructure its business, including its capital and reserves.

On behalf of the Board



D. R. Cheeseman

Director

26 March 2014

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 December 2013

FUTURE DEVELOPMENTS

Future developments are discussed in the Strategic Report

DIVIDENDS

The directors do not recommend the payment of a dividend for the year ended 31 December 2013 (2012 £nil)

DIRECTORS

The directors of the Company who were in office during the year and up to the date of approval of the financial statements are shown on page 1. The directors who have served for part of the year are given below

Mr N J Elphick was appointed as a director of the Company on 3 May 2013

Mr D M Thompson was appointed as a director of the Company on 3 May 2013

J P D L Drouffe resigned as a director of the Company on 31 August 2013

P J Evans resigned as a director of the Company on 30 September 2013

Directors' qualifying third party and pension scheme indemnity provisions

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

The indemnification was in force during the year and at the date of approval of the financial statements

EMPLOYEES

The Company is committed to a policy of equal opportunity in recruitment, training, career development and promotion of staff, irrespective of gender, marital status, race or ethnic origin. Full and fair consideration is also given to disabled persons, including the rehabilitation and retention of staff who become disabled, having regard to their particular aptitudes and abilities

Great importance is placed on good communication with employees and in seeking to inform and involve staff in the development of the AXA UK operations and in the achievement of the global business goals

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

EMPLOYEES (Continued)

A full range of written, audio, video and regular face-to-face communications, including team briefings, regular appraisals, company newspapers and various bulletins is used. Regular consultation is maintained with independent and certified trade unions on the complete range of employment and business issues.

GOING CONCERN

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out above.

The Company has considerable financial resources, with significant investments in group companies (note 8). Detailed budgets, plans and forecasts have been prepared and reviewed setting out the continued financial position of the AXA Wealth business as a whole for the next 12 months and a strategic plan to 2016. As a consequence, the directors believe sufficient contingencies have been put in place that will enable the Company to manage its business, and they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

BRANCHES OUTSIDE THE UK

The Company does not operate branches outside the UK.

RESEARCH AND DEVELOPMENT

The AXA UK Group has a significant in-house IT function and in line with the Group strategy a key focus is on design and development of new and improved IT processes and platforms, elements of this work constitute research and development.

POLITICAL DONATIONS

The Company made no donations for political purposes.

POST BALANCE SHEET EVENTS

The Company has no post balance sheet events which require disclosure.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

Each director in office at the date the directors' report is approved 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 directors are responsible for preparing the Strategic Report and Directors' 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 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,
- make judgements and accounting 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 are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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 2006. 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.

On behalf of the Board



D. R. Cheeseman
Director
26 March 2014

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

We have audited the financial statements of Winterthur UK Financial Services Group Limited (the "Company") for the year ended 31 December 2013 which comprise the Profit and Loss Account, the Reconciliation of Movements in Shareholders' Funds, 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 6, 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 is made solely to the Company's member in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's member those matters we are required to state to them in an auditor's 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

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 2013 and of its profit 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.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements

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



Andrew Heffron (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
Tower Bridge House
St Katharine's Way
London
E1W 1DD
26 March 2014

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Note	2013 £000	2012 £000
Interest receivable and similar income	3	3	32
Profit on ordinary activities before taxation		<u>3</u>	<u>32</u>
Tax on profit on ordinary activities	7	<u>(1)</u>	<u>(8)</u>
Profit for the financial year	12	<u><u>2</u></u>	<u><u>24</u></u>

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 results above, and therefore no separate statement of recognised gains and losses has been presented

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

The information on pages 12 to 19 forms an integral part of these financial statements

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED**RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2013**


		2013 £000	2012 £000
Profit for the financial year	12	2	24
Total shareholders' funds at 1 January		582,875	542,151
Capital contribution received in the year	12	13,000	40,700
Total shareholders' funds at 31 December		595,877	582,875

The information on pages 12 to 19 forms an integral part of these financial statements

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED**BALANCE SHEET AS AT 31 DECEMBER 2013**

	Note	2013 £000	2012 £000
Fixed assets			
Investments in group undertakings	8	<u>558,133</u>	<u>544,463</u>
Current assets			
Debtors	9	43,747	43,747
Cash at bank and in hand		<u>3</u>	<u>673</u>
		<u>43,750</u>	<u>44,420</u>
Creditors: amounts falling due within one year	10	<u>(6,006)</u>	<u>(6,008)</u>
Net current assets		<u>37,744</u>	<u>38,412</u>
Total assets less current liabilities		<u>595,877</u>	<u>582,875</u>
Capital and reserves			
Called up share capital	11	192,001	192,001
Share premium account	12	299,999	299,999
Capital contribution	12	462,918	449,918
Profit and loss account	12	<u>(359,041)</u>	<u>(359,043)</u>
Total shareholders' funds		<u>595,877</u>	<u>582,875</u>

The financial statements on pages 9 to 19 were approved by the Board of directors on 26 March 2014 and were signed on its behalf by



D. R. Cheeseman
Director

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1. STATEMENT OF ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of presentation

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable United Kingdom accounting standards.

The Company has taken advantage of section 400 of the Companies Act 2006 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 an EEA State.

Under Financial Reporting Standard ("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.

The Company has applied all applicable accounting standards and interpretations effective at 31 December 2013. There have been no new standards, changes to standards and interpretations which are effective for accounting periods beginning on or after 1 January 2013 that have a material impact on these financial statements. The following company law amendment to the Strategic Report and Directors' Report has been adopted by the Company for the first time.

The statutory instrument number 1970 of 2013, The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, which came into force for accounting periods ending on or after 30 September 2013 amends the Companies Act 2006 requirements for preparing the Directors' Report. The key change is the requirement for a separate Strategic Report, in addition to the Directors' Report. The Company has maintained compliance with the amendment and presented the Strategic Report and Directors' Report.

Investment income

Investment income is accounted for on a receivable basis and interest is accrued up to the balance sheet date.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

1. STATEMENT OF ACCOUNTING POLICIES (Continued)

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 balances, using the liability method, on all material timing differences. Deferred tax is calculated using rates substantively enacted at the balance sheet date. Deferred tax balances have not been discounted.

Deferred tax assets are only recognised to the extent that they are expected to be recoverable.

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.

2. MANAGEMENT OF FINANCIAL RISK

The Company as the holding company for the Winterthur group within the UK considers that the risk framework of the group as a whole is the key to understanding the business of the Company. Where specific risks or mitigation actions exist for the Company these have been specifically referred to.

Financial risk management objectives and policies

The Company is exposed to financial risk through the inherent uncertainty in its subsidiaries undertaking insurance business affecting its financial assets and liabilities. The most important components of this risk are market (including interest rate and price risks), credit and liquidity risks.

The Group forms part of the AXA UK Group which has an established risk management framework on how each risk profile is identified, measured, monitored and controlled through Risk Committees advising the individual business unit Chief Executives. A dedicated risk management function supports the individual business units by ensuring that a full understanding and control of risks is incorporated into management decision making and procedures.

The risk policies are documented in adherence to the AXA Group Standards issued by AXA Group Risk Management ("GRM"). The AXA UK Board is responsible for governance and the AXA UK Executive Committee for approving all new policies.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. MANAGEMENT OF FINANCIAL RISK (Continued)

The Company is exposed to financial risk directly through its transactions with other AXA UK group companies and indirectly through its subsidiaries' business operations affecting valuation of its direct subsidiaries in these financial statements. The most important components of this risk, given both the operating nature of the Company's direct subsidiary entities and the activities of the Company in its own right are capital assessment, liquidity and credit risks.

Capital assessment

The Winterthur UK group insurance operations are regulated by the Financial Conduct Authority and Prudential Regulation Authority respectively and are subject to insurance solvency regulations which specify the minimum amount and type of capital that must be held in addition to the insurance liabilities.

The AXA UK group manages capital in accordance with these rules and has embedded in its processes the necessary tests to ensure continuous and full compliance with such regulations. Given the variability of the many inflows and outflows which are subject to price and other combinations of risk, regular monitoring of liability and asset profiles is undertaken to establish the implications for supporting capital requirements.

As a result of this capital management policy, the Company is periodically required to provide additional capital to its direct subsidiaries Winterthur Life UK Holdings Limited ("WLUKH") and Winterthur Financial Services UK Holdings Limited ("WFSUKH"). When necessary, the Company requests and receives additional capital from its parent company, AXA UK plc, in order to fund the additional capital to WLUKH and WFSUKH.

Liquidity and cash flow risk

Liquidity and cash flow risk is defined as the risk that the Company, irrespective of solvency and profitability, may not have sufficient available cash (or near cash assets or funding facilities) to pay obligations when they fall due at reasonable cost.

Liquidity risk could arise from illiquid asset holdings, inappropriate asset/liability matching or inexact forecast operating liquidity requirements resulting in insufficient short-term (including intra-day) and longer-term liquidity.

This is controlled via regular liquidity risk monitoring and reporting in addition to regular short-term cash flow forecasting. A robust capital management framework is in place to ensure there are appropriate funding loan and overdraft facilities in place.

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****2. MANAGEMENT OF FINANCIAL RISK (Continued)****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.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	2013 £000	2012 £000
Interest from cash on deposit	3	4
Interest from other investments	-	28
	<u>3</u>	<u>32</u>

4. AUDITORS' REMUNERATION

Auditors' remuneration in respect of audit fees for 2013 of £2,663 (2012: £4,271) was borne by WFS, a fellow group company.

5. EMPLOYEE NUMBERS AND COSTS

The Company does not directly employ any staff (2012: none). All staff are employed by WFS. Staff costs are borne by WFS and disclosed in the accounts of that company.

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. No director has received any emoluments or other benefits from the Company or from any other company in the AXA group in respect of services to the Company.

Mr J P D L Drouffe, Mr P J Evans and Mr M J Kellard 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 R Cheeseman, Mr N J Elphick, Mr A Purvis and Mr D M Thompson were also directors of AXA Portfolio Services Limited 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.

Two directors exercised share options or employee sharesave options in AXA UK plc during the year (2012: Two).

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES**

	2013 £000	2012 £000
Current tax:		
UK corporation tax charge for the current year	1	8
Tax on profit on ordinary activities	1	8

UK corporation tax is charged at a rate of 23.25% (2012 24.5%) There is no difference between the actual tax charge and the profit for the year taxed at the standard rate of corporation tax in the UK

There is no deferred tax, either recognised or unrecognised, at the end of the current or preceding financial year

During the year, as a result of the changes in the UK corporation tax rate, from 23% to 21% (effective from 1 April 2014) and from 21% to 20% (effective from 1 April 2015), that were enacted in the Finance Act 2013

8. INVESTMENTS IN GROUP UNDERTAKINGS

Investments in group undertakings are

	2013 £000	2012 £000
Shares in group undertakings:		
Cost as at 1 January	437,374	437,374
Cost as at 31 December	437,374	437,374
Provision against impairment:		
As at 1 January and 31 December	139,316	139,316
Shares in group undertakings - carrying value	298,058	298,058
Capital contributions to group undertakings		
Cost as at 1 January	246,405	192,105
Increase	13,670	54,300
Cost as at 31 December	260,075	246,405
Capital contributions to group undertakings - carrying value	260,075	246,405
Investments in group undertakings as at 31 December	558,133	544,463

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****8. INVESTMENTS IN GROUP UNDERTAKINGS (Continued)**

At 31 December 2013 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
Winterthur 1 Limited *	Dormant
AXA Wealth Limited *	Life and pensions business
AXA Wealth Services Limited *	Insurance and product distribution and pension trustee
Winterthur Financial Services UK Limited *	Management & administration services
Winterthur Trustee Services Limited *	Pension trustee

*These group undertakings are held indirectly through another wholly owned subsidiary undertaking

The directors believe that the carrying value of the investments is supported by their underlying net assets

On 29 January 2013 Braemore Asset Management LLP was incorporated, representing a 50% joint venture with subsidiary undertaking Winterthur Life UK Holdings Limited

On 30 April 2013 AXA Wealth Nominees Limited, Winterthur Systems Leasing Limited and Winterthur 2 Limited were dissolved. As a result the companies no longer exist as legal entities and have been subsequently removed as group undertakings

9. DEBTORS

	2013	2012
	£000	£000
Amounts owed by group undertakings	43,747	43,747

Amounts owed by group undertakings are interest free, unsecured and repayable on demand

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013	2012
	£000	£000
Amounts owed to group undertakings	<u>6,006</u>	<u>6,008</u>

The amounts owed to group undertakings includes £6m (2012 £6m) advanced by AXA Sun Life Direct Limited. The loan is interest free, unsecured and repayable on demand.

11. CALLED UP SHARE CAPITAL

	2013	2012
	£000	£000
Allotted and fully paid:		
192,001,002 ordinary shares of £1 each	<u>192,001</u>	<u>192,001</u>

12. MOVEMENT IN RESERVES

	Share premium account £000	Capital contribution £000	Profit and loss account £000	Total £000
Balance at 1 January 2013	299,999	449,918	(359,043)	390,874
Profit for the financial year	-	-	2	2
Capital contribution received during the year	-	13,000	-	13,000
Balance at 31 December 2013	<u>299,999</u>	<u>462,918</u>	<u>(359,041)</u>	<u>403,876</u>

13. RELATED PARTY TRANSACTIONS

As the Company is a wholly-owned subsidiary of AXA UK plc 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 wholly owned Group companies.

The Company entered into transactions with related parties which do not qualify for the exemption under FRS 8. Such transactions are included in the financial statements under the following captions:

WINTERTHUR UK FINANCIAL SERVICES GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****13. RELATED PARTY TRANSACTIONS (Continued)**

	Note	2012 £000	2011 £000
<i>Profit and loss account - interest receivable</i>			
AXA Investment Managers Luxembourg (as Note 3)		-	28

The balance in 2012 represented interest income on the Company's previously held investment in the AXA IM Cash Sterling Liquidity Fund

14. IMMEDIATE AND ULTIMATE PARENT COMPANY

The Company is an immediate subsidiary of AXA UK 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, 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